

WAIS Inc.

Wide Area Information Servers
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FAX Cover Sheet

Date: August 22, 1995

To: Brewster Kahle
c/o Sheraton Premiere Hotel

From: Deanna Weber
Assistant to the CEO

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Pages Transmitted (including cover sheet): 24

Remarks:

Compliments of Mary!

BREWSTER -

\$375,000 Cost Accrual is
meant to cover both
product & production

Services project overruns.

Let's discuss This in more
detail

Mary

Items attached:

Revised (and final) Quarterly Income Statement - FY 1995
 (note: "management adjustment" in Q4 of \$375,000)

Revised Quarterly Balance Sheet - FY 1995

Revised Quarterly Statement of Cash Flows - FY 1995

Originally reported nine months ended March 31, 1995 Income Statement (Old Format)

Note: Revenue for nine months ended 3/31/95

- Old revenue recognition method	2,534,003
- % of completion revenue recognition method	<u>2,321,446</u>

Adjustment to prior quarters required to go to % complete (212,557)

Originally reported Balance Sheet as of March 31, 1995 (Old Format)

1996 Financial Plan submitted to AOL by Lynne Crawford

1996 Financial Plan submitted to Lynne Crawford by Nick Scharf

1996 Financial Plan as reworked by Mary McCall into Lynne Crawford's
 format using Nick's numbers

Revenue Detail - % of completion calculation (Original estimate)
 --- I should walk you through this!

Revenue Detail - % of completion calculation (Current estimate) *TO COME LATER*
- NOT READY

Packet provided AOL during Due Diligence (I think!) I had this in my "Forecast" file. (13 pages)

My home tel. # = 408 293-8485
if you need to call
please feel free

WAIS, Inc.
Quarterly Income Statement

	30-Sep-94	30-Dec-94	31-Mar-95	30-Jun-95	FY 1995
<i>Revenue:</i>					
Products	\$639,907	\$364,676	\$413,277	\$325,946	\$1,743,806
Government contract	142,868	96,401	59,036	56,769	355,074
Production services	146,626	231,632	227,024	343,150	949,632
Total revenue	929,401	692,709	699,336	725,865	3,048,512
<i>Cost of sales:</i>					
Products	36,426	101,732	85,302	71,339	294,799
Government contract	11,273	62,669	39,518	22,385	135,845
Production services	46,701	167,731	158,479	323,735	696,646
Management adjustment				375,000	375,000
Total cost of sales	94,400	332,132	283,299	792,459	1,502,290
Gross margin	835,001	360,577	416,037	(65,394)	1,546,222
Gross margin %	90%	52%	59%	-9%	51%
<i>Expenses:</i>					
Marketing & sales	32,513	150,795	207,998	196,032	587,338
G&A	74,579	117,465	180,092	224,092	596,228
Operations			47,422	28,480	75,902
Total expenses	107,092	268,260	435,512	448,604	1,259,468
Net operating income (loss)	727,909	92,317	(19,475)	(513,958)	286,754
Pooling expenses			(30,000)	(2,437)	(32,437)
Interest income (expense)	1,076	464	227	(6,858)	(5,091)
Pretax income (loss)	728,985	92,781	(49,248)	(523,293)	249,225
Income taxes	320,754	50,823	(19,492)	(65,250)	286,835
NET INCOME (LOSS)	\$408,231	\$41,958	(\$29,756)	(\$458,043)	(\$37,609)

WAIS, Inc.
Balance Sheet

	30-Jun-94	30-Sep-94	30-Dec-94	31-Mar-95	30-Jun-95
<i>Current Assets:</i>					
Cash	\$134,341	\$320,459	\$357,328	\$668,488	\$227,481
Accounts receivable	101,023	514,026	477,461	710,462	701,654
Deposits & prepaids	5,875	41,056	26,080	56,891	44,438
Total current assets	241,239	875,541	860,869	1,435,841	973,573
Capitalized development costs, net		20,067	41,686	75,994	131,559
<i>Fixed Assets:</i>					
Furniture	4,741	9,064	32,867	44,084	64,262
Equipment & software	81,776	94,374	153,537	200,192	331,775
Production services	3,301	8,916	11,794	50,988	96,695
Leasehold improvements				16,832	20,048
Accumulated depreciation	(30,053)	(38,499)	(51,236)	(71,300)	(102,436)
Net fixed assets	59,765	73,855	146,962	240,796	410,344
<i>Other Assets</i>	3,815	3,576	3,338	3,099	2,861
<i>Total Assets</i>	<u>\$304,819</u>	<u>\$973,039</u>	<u>\$1,052,855</u>	<u>\$1,755,730</u>	<u>\$1,518,337</u>
<i>Current Liabilities:</i>					
Accounts payable and accrued expenses	\$114,205	\$51,918	\$132,480	\$177,816	\$572,231
Term loan				500,000	500,000
Note Payable	48,711	48,711			
Deferred revenue	79,253	86,716	55,292	227,189	108,673
Accrued interest				1,556	11,555
Accrued income taxes		314,796	352,227	335,669	270,420
Total current liabilities	242,170	502,141	539,999	1,242,230	1,462,879
<i>Shareholders' Equity:</i>					
Paid in capital	25,000	25,000	25,000	55,418	55,418
Current year income (loss)		408,231	450,189	420,433	(37,609)
Retained earnings (deficit)	37,650	37,667	37,667	37,649	37,649
Total equity	62,650	470,898	512,856	513,500	55,458
<i>Total Liabilities & Equity</i>	<u>\$304,819</u>	<u>\$973,039</u>	<u>\$1,052,855</u>	<u>\$1,755,730</u>	<u>\$1,518,337</u>

WAIS, Inc.
Quarterly Statement of Cash Flows

	<u>30-Sep-94</u>	<u>30-Dec-94</u>	<u>31-Mar-95</u>	<u>30-Jun-95</u>	<u>FY 1995</u>
Net operating Income (loss)	\$727,909	\$92,317	(\$19,475)	(\$513,998)	\$286,754
Depreciation & amortization	8,685	15,990	23,318	36,155	84,147
Cash flow from operations	<u>736,594</u>	<u>108,307</u>	<u>3,843</u>	<u>(477,843)</u>	<u>370,901</u>
Cash taxes	5,958	13,392	2,168		21,518
Cash interest	<u>(1,076)</u>	<u>(464)</u>	<u>(1,783)</u>	<u>(3,143)</u>	<u>(6,466)</u>
Subtotal	<u>731,712</u>	<u>95,379</u>	<u>3,458</u>	<u>(474,700)</u>	<u>355,848</u>
Changes in working capital:					
Accounts receivable	(413,003)	36,565	(233,001)	8,808	(600,631)
Deposits & prepaids	(35,181)	14,976	(25,709)	12,453	(33,461)
Accounts payable and accrued expenses	(62,287)	80,562	45,336	394,415	458,026
Deferred revenue	<u>7,463</u>	<u>(31,424)</u>	<u>171,897</u>	<u>(118,516)</u>	<u>29,420</u>
Cash used by working capital	<u>(503,008)</u>	<u>100,679</u>	<u>(41,477)</u>	<u>297,160</u>	<u>(146,646)</u>
Purchases of fixed assets	(22,536)	(85,844)	(113,898)	(200,684)	(422,962)
Capitalized development costs	(20,067)	(24,634)	(37,323)	(60,346)	(142,369)
Debt borrowings (repayments)		(48,711)	500,000		451,289
Other	<u>17</u>	<u></u>	<u>400</u>	<u>(2,437)</u>	<u>(2,020)</u>
	<u>(42,585)</u>	<u>(159,189)</u>	<u>349,179</u>	<u>(263,467)</u>	<u>(116,062)</u>
Increase (Decrease) In Cash	186,118	36,869	311,160	(441,007)	93,140
Beginning Cash	<u>134,341</u>	<u>320,459</u>	<u>357,328</u>	<u>668,488</u>	<u>134,341</u>
Ending Cash	<u><u>\$320,459</u></u>	<u><u>\$357,328</u></u>	<u><u>\$668,488</u></u>	<u><u>\$227,481</u></u>	<u><u>\$227,481</u></u>

WAIS, Inc.
Income Statement
For the Nine Months Ended March 31, 1995

<i>Revenue:</i>	
Products	\$1,483,595
Government contract	297,922
Production services	630,737
International	121,750
Total revenue	2,534,003
<i>Cost of sales</i>	86,850
<i>Gross margin</i>	2,447,153
<i>Expenses:</i>	
Marketing & sales	391,306
Washington office	84,166
Production services	274,012
Development	340,793
G&A	402,136
Operations	47,422
Total expenses	1,539,835
<i>Net operating income (loss)</i>	907,318
<i>Interest income (expense)</i>	1,767
<i>Pretax income (loss)</i>	909,085
<i>Income taxes</i>	412,453
<i>NET INCOME (LOSS)</i>	\$496,632

WAIS, Inc.
Balance Sheet
as at March 31, 1995

Current Assets:

Cash	\$668,489
Accounts Receivable	705,106
Deposits & prepaids	56,891
Total Current Assets	1,430,486

Fixed Assets:

Furniture	44,084
Equipment & Software	200,192
Production Services	50,988
Leasehold Improvements	16,832
Accumulated Depreciation	(71,299)
Net Fixed Assets	240,797

<i>Other Assets</i>	3,099
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Total Assets	\$1,674,382
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Current Liabilities:

Accounts Payable and Accrued Expenses	\$179,370
Term Loan	500,000
Deferred Revenue	7,100
Accrued Income Taxes	398,213
Total Current Liabilities	1,084,683

Shareholders' Equity:

Paid in Capital	55,418
Current Year Income (Loss)	496,632
Retained Earnings (Deficit)	37,649
Total Equity	589,699

Total Liabilities & Equity	\$1,674,382
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WAIS
1996 Plan

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
REVENUE	\$ 700,000	\$1,200,000	\$ 1,800,000	\$2,300,000	\$ 6,000,000
COST OF SALES	<u>450,000</u>	<u>700,000</u>	<u>850,000</u>	<u>1,100,000</u>	<u>3,100,000</u>
GROSS MARGIN	250,000	500,000	950,000	1,200,000	2,900,000
Marketing	200,000	225,000	250,000	300,000	975,000
Product development	100,000	100,000	150,000	150,000	500,000
General and administrative	<u>325,000</u>	<u>350,000</u>	<u>400,000</u>	<u>425,000</u>	<u>1,500,000</u>
	625,000	675,000	800,000	875,000	2,975,000
EARNINGS (LOSS) BEFORE TAXES	<u>\$ (375,000)</u>	<u>\$ (175,000)</u>	<u>\$ 150,000</u>	<u>\$ 325,000</u>	<u>\$ (75,000)</u>

WAIS, Inc.
7/28/95 Update to Prior Medior Forecast

	Q1	Q2	Q2 by Business Unit	
			Prod Svcs	Product
REVENUE				
WAIS Products	210,000	300,000		300,000
Webcrawler Products	90,000	200,000	200,000	
Government Contract	45,000	45,000	45,000	
Production Services	350,000	525,000	525,000	
Service Administration & Support	42,000	42,000	42,000	
Total Revenue	737,000	1,112,000	812,000	300,000
COST OF GOODS SOLD				
Other company products	15,000 ^{cos}			
Webcrawler	104,230	104,025	104,025	
Production Services Washington	77,208 ^{cos}	93,297	93,297	
Production Services West Coast	362,510 ^{cos}	290,978	290,978	
Service Administration & Support	29,525 ^{cos}	52,225	52,225	
Operations	85,075 ^{cos}	122,075	122,075	
	673,549	662,600	662,600	
GROSS MARGIN	63,451	449,400	149,400	300,000
Sales	188,263 ^{cos}	236,430	193,700	42,730
Marketing	13,825 ^{cos}	29,825	29,825	
Development	197,623 ^{cos}	237,679		237,679
G&A	263,145 ^{cos}	266,322	186,426	79,897
Total Expenses	662,856	770,256	409,951	360,306
Net Operating Income(Loss)	(599,405)	(320,856)	(260,551)	(60,306)

Cost
Support
= 50%

WAIS, Inc.
1996 Plan

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Revenue	\$737,000	\$1,112,000	\$1,800,000	\$2,300,000	\$5,949,000
Cost of Sales	<u>618,000</u>	<u>605,000</u>	<u>850,000</u>	<u>1,100,000</u>	<u>3,173,000</u>
Gross Margin	119,000	507,000	950,000	1,200,000	2,776,000
Gross Margin %	16%	46%	53%	52%	47%
Marketing	241,000	320,000	250,000	300,000	1,111,000
Product development	129,000	119,000	150,000	150,000	548,000
General and administrative	<u>348,000 ✓</u>	<u>388,000</u>	<u>400,000</u>	<u>425,000</u>	<u>1,561,000</u>
	718,000	827,000	800,000	875,000	3,220,000
EARNINGS (LOSS) BEFORE TAXES	<u><u>(\$599,000)</u></u>	<u><u>(\$320,000)</u></u>	<u><u>\$150,000</u></u>	<u><u>\$325,000</u></u>	<u><u>(\$444,000)</u></u>

Revenue - % of completion
Original Estimate

	Project Revenue	Q1	Q2	Q3	Q4	FY 1995	Jul-95	Aug-95	Sep-95	FY 96 Q1	Project Totals	Rev per hr
<u>Labor Hours by Project:</u>												
AOL II	123,500				214	214	200	200	200	600	814	152
Foodnet	93,733			194	410	604	81			81	685	137
KPMG/SEMI	70,650				572	572	300	200	36	536	1,108	64
LDC	73,650			32	654	686	200	56		256	942	78
NYT	89,000			451	354	805	250	238		488	1,293	69
RCS	122,500				856	356	400	200	42	642	1,498	82
SFNA	133,209			141	295	436	200	200	8	408	844	158
Reuters	60,000		240	158	4	402				0	402	149
Expeer	144,209				173.5	174	400	400	390	1190	1,364	106
AOL Lightning	100,000	171	410	285	52	918				0	918	109
Stanford	34,964			473.5	628	1,102				0	1,102	32
	1,045,415	171	650	1,735	4,213	6,768	2,031	1,494	676	4,201	10,969	95
<u>Revenue by Project:</u>												
Foodnet		0	0	26,546	56,103	82,649	11,084	0	0	11,084	93,733	
KPMG/SEMI		0	0	0	36,473	36,473	19,129	12,753	2,295	34,177	70,650	
LDC		0	0	2,502	51,133	53,635	15,637	4,378	0	20,015	73,850	
NYT		0	0	31,043	24,367	55,410	17,208	16,382	0	33,590	89,000	
RCS		0	0	0	70,000	70,000	32,710	16,355	3,435	52,500	122,500	
SFNA		0	0	22,254	46,560	68,814	31,566	31,566	1,263	64,395	133,209	
Reuters		0	35,821	23,582	597	60,000	0	0	0	0	60,000	
Expeer		0	0	0	18,350	18,350	42,306	42,306	41,248	125,860	144,210	
Stanford		0	0	15,030	19,934	34,964	0	0	0	0	34,964	
Total Commercial Projects		0	35,821	120,957	323,517	480,295	169,640	123,740	48,241	341,621	821,916	
AOL Lightning		18,628	44,662	31,046	5,664	100,000	0	0	0	0	100,000	
AOL II		0	0	0	32,468	32,468	30,344	30,344	30,344	91,032	123,500	
Total Intercompany		18,628	44,662	31,046	38,132	132,468	30,344	30,344	30,344	91,032	223,500	

Product and Production Services IP Status

3/14/95

Company Confidential

Production Services IPs	Number of Organizations	Number of Publications/ Services	Value
Currently on WAIS Datacenter	5	23	\$829,000
Currently being developed by WAIS, Inc	9	7	\$717,000
Proposals Outstanding	18	19	\$2,008,000
Pre-proposal Pipeline	<u>51</u>	<u>53</u>	<u>\$5,724,000</u>
Totals	83	102	\$9,278,000

Software Product Sales

Current Pipeline	130	\$ 2,022,000
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Report 1
14-Mar-95

WAIS, Inc.
FY1995 Income Statement Forecast

	Jul-94	Aug-94	Actual Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
REVENUE													
Products	\$137,000	\$183,750	\$334,883	\$57,400	\$184,445	\$152,500	\$36,000	\$83,450	\$242,887	\$100,000	\$150,000	\$150,000	\$1,792,315
Government Contract	2,062	1,237	139,186	15,047		81,354	32,414	7,616	21,000	25,000	25,000	25,000	374,916
Production Services	50,000	20,000	65,000	8,000	70,400	53,850	41,533	113,100	226,000	200,000	300,000	300,000	1,450,883
International			100,000										100,000
Support & Maintenance										15,000	15,000	15,000	45,000
Total Revenue	189,062	184,987	642,069	80,447	254,845	287,704	109,947	204,166	489,887	340,000	490,000	490,000	3,763,114
COST OF GOODS SOLD			1,016,118		41,850	622,896	15,000	15,000	804,000	15,000	30,000	30,000	3,763,114
										30,000	30,000	30,000	176,850
GROSS MARGIN	189,062	184,987	642,069	80,447	212,995	287,704	94,947	189,166	474,887	310,000	460,000	460,000	3,586,264
	100%	100%	100%	100%	84%	100%	86%	95%	97%	91%	94%	94%	95%
Marketing & Sales	5,011	7,679	19,825	31,183	50,370	69,242	67,390	67,579	79,154	111,439	111,439	86,439	706,739
Washington Office	5,164	4,695	7,316	8,118	5,624	13,032	12,441	13,346	14,488	14,488	21,675	21,675	142,082
Production Services	6,370	7,589	23,656	34,346	62,963	52,374	20,812	24,510	38,278	54,722	73,224	64,677	464,518
Operations							16,175	16,190	15,300	13,087	26,700	14,700	102,132
Development	15,272	15,404	20,248	40,973	35,984	58,236	48,990	42,951	52,138	90,313	78,491	65,038	592,038
G&A	15,431	37,128	19,937	36,887	37,490	43,088	50,870	55,157	103,193	81,079	69,791	70,779	620,828
Total Expenses	47,248	72,495	98,982	151,506	193,430	235,971	216,668	219,732	302,549	365,107	381,319	343,307	2,626,318
Net Operating Income(Loss)	141,814	112,492	543,087	(71,059)	19,565	51,733	(121,721)	(30,566)	172,338	(55,107)	78,681	116,693	957,946
													25%
Interest Income (Expense)	342	354	381	688	(605)	379	555	410	(656)	(975)	(975)	(975)	(777)
Pretax Income(Loss)	142,156	112,846	543,468	(70,371)	18,960	52,112	(121,166)	(30,156)	171,681	(55,982)	77,806	115,818	957,169
other					1,450								1,450
Income Taxes	62,549	49,652	239,126	(20,963)	8,342	22,929	(53,313)	(113,269)	75,540	(24,632)	34,235	50,960	431,154
NET INCOME(LOSS)	\$79,607	\$63,193	\$304,342	(\$49,406)	\$9,167	\$29,183	(\$67,853)	(\$16,888)	\$96,142	(\$31,350)	\$43,571	\$64,858	\$524,565

14-Mar-95

FY1995 Balance Sheet Forecast

AR Days	Actual												
	Jun-94	31 Jul-94	37 Aug-94	24 Sep-94	121 Oct-94	36 Nov-94	46 Dec-94	119 Jan-95	62 Feb-95	33 Mar-95	40 Apr-95	40 May-95	40 Jun-95
Current Assets													
Cash	\$134,341	\$191,475	\$201,094	\$321,267	\$424,569	\$437,682	\$357,328	\$207,113	\$133,020	\$211,837	\$243,720	\$82,510	\$200,409
Accounts Receivable	\$101,023	196,910	225,500	514,026	323,954	307,525	439,172	434,721	420,363	538,876	453,333	653,333	653,333
Deposits & Prepaids	5,875	2,395	2,395	41,058	29,389	35,427	26,080	52,086	62,493	47,493	47,493	47,493	47,493
Total Current Assets	241,239	390,780	428,989	876,351	777,932	780,634	822,580	693,920	615,876	798,205	744,547	783,336	901,235
Fixed Assets													
Furniture & Improvements	4,741	4,741	4,741	9,064	9,064	28,339	32,867	36,198	39,023	60,023	60,023	60,023	60,023
Equipment & Software	81,778	87,403	95,621	95,621	115,836	150,122	153,537	181,069	189,808	196,808	223,438	259,938	270,638
Production Services	3,301	3,301	3,301	7,670	7,670	11,794	11,794	16,519	23,982	62,982	70,082	85,082	85,082
Accumulated Depreciation	(30,053)	(32,651)	(35,479)	(38,499)	(42,081)	(46,241)	(51,236)	(57,232)	(63,768)	(73,884)	(84,938)	(97,422)	(110,203)
Net Fixed Assets	\$59,765	\$62,794	\$68,184	\$73,356	\$80,489	\$144,014	\$146,962	\$176,554	\$189,045	\$245,929	\$268,605	\$307,821	\$305,540
Other Assets	3,815	3,735	3,656	3,577	3,497	3,418	3,338	3,259	3,179	3,815	3,815	3,815	3,815
Total Assets	\$304,819	\$457,309	\$500,829	\$953,784	\$871,918	\$928,086	\$972,380	\$873,733	\$808,100	\$1,047,949	\$1,016,967	\$1,094,773	\$1,210,590
\$94													
Current Liabilities													
Accounts Payable	114,206	\$124,559	\$54,953	\$50,121	\$50,235	\$135,977	\$132,479	\$147,400	\$106,832	\$100,000	\$100,000	\$100,000	\$100,000
Accounts Receivable Line													
Note Payable - B Kahle	48,711	48,711	48,711	48,711	48,711								
Deferred Revenue	79,235	79,235	79,235					7,100	7,100	7,100	7,100	7,100	7,100
Accrued Income Taxes	6,100	68,546	118,580	345,141	312,559	322,518	341,647	286,333	280,174	355,714	331,082	365,316	416,276
AR Line of Credit										75,000	100,000	100,000	100,000
Current Portion of Leases													
Total Current Liabilities	248,252	321,153	301,479	443,973	411,515	468,495	474,126	442,833	394,106	537,814	538,182	572,416	623,376
Equipment Leases													
Shareholders' Equity:													
Paid in Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Current Year Income (Loss)	31,187	79,607	142,801	447,143	397,735	406,903	436,086	368,232	351,345	447,486	416,136	459,708	524,585
Retained Earnings (Deficit)	380	31,549	31,549	37,958	37,668	37,668	37,668	37,668	37,649	37,649	37,649	37,649	37,649
Total Equity	56,567	136,156	199,350	509,811	460,403	469,571	498,754	430,900	413,994	510,135	478,785	522,357	587,214
Total Liabilities & Equity	\$304,819	\$457,309	\$500,829	\$953,784	\$871,918	\$928,086	\$972,380	\$873,733	\$808,100	\$1,047,949	\$1,016,967	\$1,094,773	\$1,210,590
Quick Ratio (Cash + AR/Curr Liab)	0.95	1.21	1.42	1.88	1.92	1.63	1.68	1.45	1.40	1.40	1.30	1.29	1.37
Tangible Net Worth	56,567	136,156	199,350	509,811	460,403	469,571	498,754	430,900	413,994	510,135	478,785	522,357	587,214
Debt/Tangible Net Worth	4.4	2.4	1.5	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1

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Q3 Revenue Forecast		Company Confidential							3/14/95
Source	Actual Jan	Actual Feb	To-date Mar	Forecast: Mar	Apr	May	Jun	Beyond	Post March Totals
Backlog/Booked Revenue:									
AOL		50,000		25,000					-
CMP II & Qualcards			27,470	40,950					-
CMP Maintenance	4,100	4,100	4,100	4,100	4,100	4,100	4,100	20,500	32,800
Conquest		5,000		5,000					-
Datavault	8,380	7,616		12,500	15,000	15,000	15,000	89,004	134,004
Diamond Micro Systems		13,500							-
Fulcrum		50,000		50,000		50,000			50,000
George Mason University			15,000	15,000					-
House Info Systems	5,000								-
Information Concepts			13,050	13,050					-
Intel	1,000	1,000		1,000					-
Michels / Food Net	23,434			23,434		23,435	23,435		46,869
National Science Foundation		7,500							-
NCMS	10,000								-
NPD	12,500								-
NYT/IBM		40,000		25,000	24,000				24,000
Ntl Center Disease Cntrl				10,000					-
Reuters					50,000	50,000	50,000	38,800	188,800
RJO/DTIC	1,249			6,500			33,000	4,216	37,216
SAIC	5,000								-
SBIR NASA	22,785				25,000	25,000	25,000	523,273	598,273
Scholastic Maintenance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	6,000	15,000
Scientec			7,500	7,500					-
SENA			35,000	35,000		35,000	63,209		98,209
Stanford		10,000			10,000	14,964			24,964
Summary Corp			(7,500)	(7,500)					-
Univ of Mich	13,500								-
Total Actual/Backlog	109,947	191,716	97,620	271,534	131,100	220,499	216,744	681,793	1,250,135
Bruce to Close:									
American Geophysical Union				13,500					
BLM				15,000					
Datalytics				15,000					
EBSCO				15,000					
KPMG				20,000					
MIGA/World Bank				20,000					
Open Source 7mo renewal				4,143	4,142	4,142	4,142	12,426	24,852
Pac Bell				14,000					
SCO				42,000					
Spry Free				25,000					
Spry Server				10,000					
Sun Sentinel				15,000					
Cushion				(100,000)					
Subtotal - Bruce				108,643	4,142	4,142	4,142	12,426	24,852
AOL				35,000					
Legal Data Center				50,000					
SHL Systems House				10,000					
Subtotal Cyndy to Close				95,000					
Intel					30,000		50,000	70,000	150,000
Simba				35,000		40,000			40,000
Subtotal Larry				35,000	30,000	40,000	50,000	70,000	190,000
Total Bottoms Up Fcst	109,947	191,716	97,620	510,176	165,242	264,641	270,886	764,219	1,464,987
Cummulative	109,947	301,663	399,283	811,840	165,242	429,883	700,768	2,276,827	1,574,934
Potential Upside -									
Bruce									
Larry									
Cyndy									
Total Actual/Forecast	109,947	191,716		510,176	165,242	264,641	270,886	764,219	1,574,934
Cummulative	109,947	301,663		811,840	165,242	429,883	700,768	2,276,827	

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WAIS, Inc. Datacenter Services**3/14/95****Company Confidential**

Customer	Publication/Newsfeed
1. Currently on WAIS Inc. Datacenter	
Scholastic	Catalogue Service
Intel Tech Doc	Tech Doc
CMP Publications	Communications Week Communications Week International Computer Reseller News Computer Retail Week Electronic Buyers Guide Electronic Engineering Times Home PC Information Week Interactive Age Internet Business Report Netguide Network Computing OEM Magazine VAR Business Windows Magazine
Open Source	AP Reuters Janes Magazine Agence France Presse
Dow Jones	Wall Street Journal Dow Jones News Service Press Release Wires Global Business Reports
2. About to come up on WAIS Inc Datacenter	
Sports Network	Sports Information Service
Reuters	News Service
SF News	San Francisco Examiner San Francisco Chronicle
Michels	Foodnet Service

Customer Pipeline-- Production Services & Projects

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Customer	Q3 Revenue	Q4 Revenue	Additional	Project	Comments
1. Current projects					
Agence France Presse				News Service	45% Revenue sharing No Forecast yet
AOL Lightning			25,000	Adapt to Internet	
CMP Expansion	40,950		to be estimated	Magazine Service	Ongoing Enhancements
CMP Maintenance	12,300	12,300	to be estimated	Operations & Maintenance	
Datavault	28,496	45,000	89,000	Modifications	
Dow Jones			20%	News service	Revenue sharing No forecast yet
Fulcrum	100,000	50,000	revenue sharing	License for WAN protocol stack	Revenue sharing
Intel Port			300,000	Port WAISServer to Intel platform	royalty up to maximum of \$300K + technology
McGraw Hill Science Encyclopedia			140,000	Online Service	
Michels Foodnet	23,434	46,869		Information Service	
NASA SBIR		75,000	523,273	Extend search technology	Image retrieval, AI Search enhancement
New York Times	65,000	24,000	98,000	Prototype news service	continued support and enhancements expected
Reuters		150,000	38,800	News Service	
RJO/DTIC	9,749	33,000	4,216	Modifications	
S.F. Examiner & Chronicle	35,000	98,209	\$2,500/mth	News service	Continued support and enhancements
Scholastic Maintenance	9,000	9,000	\$3,000/mth	Catalogue Service	Operations and maintenance
Sports Network			33%	Sports information service	Revenue sharing No forecast yet
Stanford University	10,000	24,964		Information service	
2. Proposal pipeline					
Bantam Books			115,000	Online Service	
Conde Nast Traveller			72,000	Online Service	
Database America			121,000	On-line service	Plus 20 % Revenue Sharing
Egghead Software/LVL			200,000	Online Service	
Federal Express			200,000	Online Service	
Hachissille Fillipachi/EDS			100,000	Online Service	
Imagesmith			100,000	Online Service	
Intel Techdoc		73,000	50,000	On-line service	
Janes Magazine			80,000	Online Service	
Landmark, Alexus			60,000	Online Service	Plus 20% Revenue Sharing
Marriot, Alexus			150,000	Online Service	
McGraw Hill/Shepards			73,000	Online Service	
Philadelphia Inquirer			83,000	Online Service	
Random House			56,000	Online Service	
Rizzoli-Courriere Della Serra			150,000	Online Service	
SEMI			100,000	Online Service	

Customer Pipeline-- Production Services & Projects

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Customer	Q3 Revenue	Q4 Revenue	Additional	Project	Comments
SIMBA	50,000	50,000			
State of Calif Legeslative Data Cent	50,000	75,000		State Legislation Online	Plus \$1,900/month maintenance
3. Pre-proposal pipeline					
A&M Records			90,000	Online Service	
Academic Press			125,000	Online Service	
Acer Computer/LVL			100,000	Online Service	
AMD			125,000	Online Service	
Ameridata			125,000	Online Service	
AOL			100,000	Online Service	
Aspen Systems			100,000	Online Service	
Axime			100,000	Online Service	
Block Interactive/Ntl Semi			100,000	Online Service	
Boston Globe			95,000	Online Service	
Business Wire			100,000	Online Service	
Chicago Tribune			95,000	Online Service	
Conde Nast			125,000	Online Service	
Conde Nast-Newhouse			95,000	Online Service	
CSAA			90,000	Online Service	
Denver Post			150,000	Online Service	
Discovery Channel			110,000	Online Service	
EDS/Cadillac			125,000	Online Service	
Financial Times			85,000	Online Service	
JC Penney			100,000	Online Service	
Journal Register			60,000	Online Service	
Kiplinger's			90,000	Online Service	
KNTV			50,000	Online Service	
McGraw Hill S&P			90,000	Online Service	
McGraw Hill/Business Week			80,000	Online Service	
MCI/Tradenet			100,000	Online Service	
Microage			125,000	Online Service	
Mitsubishi			100,000	Online Service	
Moodys			75,000	Online Service	
National Geographic			150,000	Online Service	
National Semiconductor			100,000	Online Service	
Nolo Press			75,000	Online Service	
Northern Telecom			110,000	Online Service	

Customer Pipeline-- Production Services & Projects

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Customer	Q3 Revenue	Q4 Revenue	Additional	Project	Comments
Parade			95,000	Online Service	
Precept Interactive Network			90,000	Online Service	
Prentice Hall			85,000	Online Service	
Presslink			150,000	Online Service	
Rocky Mt. News			100,000	Online Service	
RR Donnelly & Sons			75,000	Online Service	
San Diego Union Tribune			89,000	Online Service	
Sports Fan Radio Network			200,000	Online Service	
St Louis Dispatch			95,000	Online Service	
State of Calif- Educ			125,000	Online Service	
The Washington Post			100,000	Online Service	
Thompson Publishing			75,000	Online Service	
Times-Mirror			170,000	Online Service	
TRW			250,000	Online Service	
US News & World Report			125,000	Online Service	
USA Today			150,000	Online Service	
Wiley and Sons			100,000	Online Service	
Williams Sonoma			125,000	Online Service	
WRTV/McGraw Hill			50,000	Online Service	
Ziff Davis			135,000	Online Service	

AS OF 3/10/95	Product Sales Pipeline		Company Confidential			
					PROB	FACTORED
ACCOUNT NAME	CITY, STATE	PRODUCT	MONTH	\$\$	%%	\$\$
AMERICAN GEOPHYSICAL UNION	SELVIN INPARAJ	SINGLE	Mar-95	13,500	90%	12,150
DATALYTICS	DAYTON, OHIO	SINGLE	Mar-95	15,000	90%	13,500
EBSCO DOCUMENT SVCS	BURLINGAME, CA	(2) SINGLE	Mar-95	15,000	90%	13,500
KPMG/PEAT MARWICK	PALO ALTO, CA	(2) SINGLE	Mar-95	20,000	90%	18,000
SUN SENTINEL	FT LAUDERDALE, FL	SINGLE	Mar-95	15,000	90%	13,500
BLM		SINGLE	Mar-95	15,000	90%	13,500
MIGA/WORLD BANK		SINGLE	Mar-95	20,000	90%	18,000
PACBELL		SINGLE	Mar-95	14,000	90%	12,600
SPRY FREEWARE		LICENSE TO BUNDLE FREE	Mar-95	25,000	90%	22,500
SPRY SERVER		SINGLE	Mar-95	10,000	90%	9,000
SANTA CRUZ OPERATION	SANTA CRUZ, CA	(3) SGL SERVERS	Mar-95	42,285	90%	38,057
TOTALS FOR MARCH 95				204,785		184,307
OFF OF SCIENTIFIC & TECH INFO	OAKRIDGE, TENNESSE	MTCE	Apr-95	5,000	90%	4,500
EDS/CADILLAC	WARREN, MI	SINGLE	Apr-95	15,000	80%	12,000
WEST PUBLISHING	ST PAUL, MN	MTCE	Apr-95	15,000	80%	12,000
EASTVIEW PUBLICATIONS	MINNEAPOLIS, MN	SINGLE	Apr-95	15,000	70%	10,500
ELI LILLY & CO	INDIANAPOLIS, IN	SINGLE	Apr-95	13,500	70%	9,450
MENTOR GRAPHICS	WILSONVILLE, OR	SINGLE	Apr-95	14,000	70%	9,800
TANDEM COMPUTER	CUPERTINO, CA	SINGLE	Apr-95	15,000	70%	10,500
US ARMY INFO SYS ENG	SIERRA VISTA, AZ	SINGLE	Apr-95	25,000	70%	17,500
LAVAL UNIVERSITY	STE-FOY, QUEBEC	SINGLE	Apr-95	12,000	70%	8,400
MEDICAL DATA INTERFACE DESIGN	MALDEN, MASS	SINGLE	Apr-95	15,000	70%	10,500
MORGAN STANLEY	NEW YORK, NY	(2) SINGLE	Apr-95	22,500	70%	15,750
NATL CTR FOR SUPERCOMPUTING	CHAMPAIGN, IL	SINGLE	Apr-95	7,500	70%	5,250
MIDDLEWORLD	REYKJAVIK, ICELAND	SINGLE	Apr-95	17,250	60%	10,350
SWEDISH UNIV OF AGRICULTURE	UPPSALA, SWEDEN	SINGLE	Apr-95	17,250	60%	10,350
UNIVERSITY OF IOWA	IOWA CITY, IOWA	SINGLE	Apr-95	12,000	60%	7,200
SRI INTERNATIONAL	MENLO PARK, CA	SINGLE	Apr-95	15,000	50%	7,500
TOTALS FOR APRIL 95				236,000		161,550
TASC	RESTON, VA	(2) SINGLE	May-95	22,500	80%	18,000

AS OF 3/10/95	Product Sales Pipeline		Company Confidential			
ACCOUNT NAME	CITY, STATE	PRODUCT	MONTH	\$\$	PROB %%	FACTORED \$\$
DELPHI INTERNET SERVICES	CAMBRIDGE, MASS	MTCE	May-95	15,000	80%	12,000
AT&T BELL LABS	HOLMDEL, NJ	SINGLE	May-95	13,500	70%	9,450
US DEPT OF AGRICULTURE	WASHINGTON, D.C.	SINGLE	May-95	15,000	70%	10,500
CHEVRON RESEARCH CORP	RICHMOND, CA	SINGLE	May-95	15,000	70%	10,500
HAUSNER & TAYLOR	CLEVELAND, OH	SINGLE	May-95	12,000	70%	8,400
ENGINEERING SYSTEMS RESEARCH	MENLO PARK, CA	SINGLE	May-95	15,000	60%	9,000
FMC CORPORATION	SANTA CLARA, CA	SINGLE	May-95	15,000	60%	9,000
NATIONS BANK	CHICAGO, ILLINOIS	SINGLE	May-95	14,000	60%	8,400
SILICON GRAPHICS CORP	MOUNTAIN VIEW, CA	SINGLE	May-95	15,000	60%	9,000
UNIVERSITY OF MAINE	ORONO, MAINE	SINGLE	May-95	15,000	60%	9,000
UNIVERSITY OF QUEBEC	MONTREAL, QUEBEC	SINGLE	May-95	15,000	60%	9,000
BINA INFORMATION SYSTEMS	WILLOWDALE, ONT	SINGLE	May-95	15,000	60%	9,000
BRENTWOOD LIFE	WOODLAND HILLS, CA	SINGLE	May-95	15,000	60%	9,000
CHIAT/DAY ADVERTISING	VENICE, CA	SINGLE	May-95	15,000	60%	9,000
DELUXE DATA SYSTEMS	MILWAUKEE, WI	SINGLE	May-95	15,000	60%	9,000
MICROAGE COMPUTER CENTER	MIAMI, FL	SINGLE	May-95	12,000	60%	7,200
PRINCIPAL FINANCIAL GROUP	DES MOINES, IA	SINGLE	May-95	15,000	50%	7,500
TOTALS FOR MAY 95				269,000		172,950
COMPUTERVISION	BEDFORD, MA	SINGLE	Jun-95	15,000	70%	10,500
WASHBURN UNIVERSITY	TOPEKA, KS	SINGLE	Jun-95	12,000	70%	8,400
BUREAU OF NAT'L AFFAIRS	WASHINGTON, D.C.	SINGLE	Jun-95	15,000	70%	10,500
KQED INC.	SAN FRANCISCO, CA	SINGLE	Jun-95	13,500	70%	9,450
MASTERCARD	NEW YORK, NY	SINGLE	Jun-95	15,000	70%	10,500
EMERGING BUSINESS TECH	JACKSONVILLE, FL	SINGLE	Jun-95	15,000	60%	9,000
UNITED NATIONS	NEW YORK, NEW YORK	SINGLE	Jun-95	12,450	60%	7,470
UNIVERSITY OF CINCINNATI	CINCINNATI, OHIO	SINGLE	Jun-95	12,000	60%	7,200
UNIVERSITY OF VICTORIA	VICTORIA, B.C.	SINGLE	Jun-95	12,750	60%	7,650
US HALACOST MEMORIAL	WASHINGTON, D.C.	SINGLE	Jun-95	15,000	60%	9,000
BELL SOUTH	BIRMINGHAM, AL	SINGLE	Jun-95	15,000	60%	9,000
LDDS COMMUNICATIONS	DES PLAINES, IL	SINGLE	Jun-95	15,000	60%	9,000
FARM CREDIT SERVICES	SPOKANE, WASH	SINGLE	Jun-95	15,000	60%	9,000
INFORMATION PURVEYORS	SAN FRANCISCO, CA	SINGLE	Jun-95	15,000	60%	9,000

AS OF 3/10/95	Product Sales Pipeline		Company Confidential			
ACCOUNT NAME	CITY, STATE	PRODUCT	MONTH	\$\$	PROB %%	FACTORED \$\$
MICROMEDIA LTD	TORONTO, ONTARIO	SINGLE	Jun-95	15,000	60%	9,000
TOWERY PUBLISHING	MEMPHIS, TN	SINGLE	Jun-95	12,000	60%	7,200
OIESIN	UNIV CENTER, MI	SINGLE	Jun-95	15,000	50%	7,500
FISHER PRICE INC.	NEW YORK, NY	SINGLE	Jun-95	15,000	50%	7,500
MEGASOFT	FREEHOLD, NJ	SINGLE	Jun-95	13,500	50%	6,750
PENN STATE UNIVERSITY	STATE COLLEGE, PA	SINGLE	Jun-95	12,000	50%	6,000
PURCHASE LIMITED	NEW YORK, NY	SINGLE	Jun-95	13,500	50%	6,750
TOTALS FOR JUNE 95				293,700		176,370
VANDERBILT UNIVERSITY	NASHVILLE, TN	SINGLE	Jul-95	12,000	80%	9,600
ECHOLON CORP	PALO ALTO, CA	SINGLE	Jul-95	15,000	70%	10,500
FORD MOTOR CO	DEARBORN, MI	SINGLE	Jul-95	15,000	70%	10,500
MOC	AUSTIN, TX	SINGLE	Jul-95	12,000	70%	8,400
NASA/JAMES RESEARCH CTR	MOFFET FIELD, CA	SINGLE	Jul-95	13,500	70%	9,450
REUTERS HEALTH INFO SYSTEMS	NEW YORK, NY	SINGLE	Jul-95	15,000	70%	10,500
SYMANTEC CORP	SANTA MONICA, CA	SINGLE	Jul-95	13,500	70%	9,450
TEXAS INSTRUMENTS	SHERMAN, TX	MULTI	Jul-95	45,000	70%	31,500
TRINZIC CORPORATION	PALO ALTO, CA	SINGLE	Jul-95	13,500	70%	9,450
WALT DISNEY PICTURES	BURBANK, CA	SINGLE	Jul-95	15,000	70%	10,500
UCSF LIB & CTR FOR KNOWLEDGE	SAN FRANCISCO, CA	SINGLE	Jul-95	15,000	60%	9,000
HITACHI	SAN JOSE, CA	SINGLE	Jul-95	12,000	60%	7,200
INTELLIQUEST	AUSTIN, TX	SINGLE	Jul-95	15,000	60%	9,000
KANSAS CITY STAR	KANSAS CITY, MO	MULTI	Jul-95	45,000	60%	27,000
NORTHERN TELECOM	NASHVILLE, TN	SINGLE	Jul-95	15,000	60%	9,000
SEQUENT COMPUTER	BEAVERTON, OR	SINGLE	Jul-95	13,500	60%	8,100
WESTERN PSYCHIATRIC INSTITUTE	PITTSBURGH, PA	SINGLE	Jul-95	12,000	60%	7,200
BASELINE II, INC.	NEW YORK, NY	SINGLE	Jul-95	15,000	50%	7,500
CANADA COMMUNICATIONS	OTTAWA, CANADA	SINGLE	Jul-95	15,000	50%	7,500
DATA GENERAL CORP	WILSONVILLE, OR	SINGLE	Jul-95	15,000	50%	7,500
PFIZER, INC.	GROTON, CT	SINGLE	Jul-95	15,000	50%	7,500
SOFRAPÉ	LAVAL, QUEBEC	SINGLE	Jul-95	12,000	50%	6,000
US AGENCY FOR INT'L DEVELOP	ARLINGTON, VA	SINGLE	Jul-95	13,500	50%	6,750

AS OF 3/10/95	Product Sales Pipeline		Company Confidential			
ACCOUNT NAME	CITY, STATE	PRODUCT	MONTH	\$\$	PROB %%	FACTORED \$\$
TOALS FOR JULY 95				382,500		239,100
ELECTRIC PRESS	RESTON, VA	SINGLE	Aug-95	15,000	70%	10,500
HAMILTON STANDARD	WINDSOR LOCKS, CT	SINGLE	Aug-95	15,000	70%	10,500
JOHNS HOPKINS UNIVERSITY	BALTIMORE, MD	SINGLE	Aug-95	15,000	70%	10,500
NOVX SYSTEMS INTEGRATORS	SEATTLE, WA	(4) SINGLE	Aug-95	40,000	70%	28,000
SOUTHWESTERN BELL	ST LOUIS, MO	SINGLE	Aug-95	15,000	70%	10,500
CCH, INC.	RIVERWOODS, IL	SINGLE	Aug-95	15,000	60%	9,000
CNA INSURANCE	CHICAGO, IL	SINGLE	Aug-95	15,000	60%	9,000
HARCOURT BRACE	FT WORTH, TX	SINGLE	Aug-95	13,500	60%	8,100
KKSF/KDFC RADIO	SAN FRANCISCO, CA	SINGLE	Aug-95	12,000	60%	7,200
MEDICAL BOARD OF CALIFORNIA	SACRAMENTO, CA	MULTI	Aug-95	40,000	60%	24,000
MEREX, INC.	ROCKVILLE, MD	SINGLE	Aug-95	12,000	60%	7,200
MESA CONSULTING	ROSSLYN, VA	SINGLE	Aug-95	13,500	60%	8,100
NAVAL RESEARCH LABORATORY	WASHINGTON, D.C.	MULTI	Aug-95	40,000	60%	24,000
SAIC	McLEAN, VA	SINGLE	Aug-95	13,500	60%	8,100
SHELL DEVELOPMENT	HOUSTON, TX	SINGLE	Aug-95	15,000	60%	9,000
TRW/ESL	SUNNYVALE, CA	SINGLE	Aug-95	15,000	60%	9,000
UNIVERSITY OF VIRGINIA	CHARLOTTESVILLE, VA	SINGLE	Aug-95	12,000	60%	7,200
VIEWTEXT INFORMATION SERVICES	PHILADELPHIA, PA	SINGLE	Aug-95	13,500	60%	8,100
MOTOROLA EMRGING COMP OPS	AUSTIN, TX	SINGLE	Aug-95	13,500	60%	8,100
BC HYDRO	BURNABY, B.C.	SINGLE	Aug-95	15,000	50%	7,500
COMPUTER SCIENCES CORP	FALLS CHURCH, VA	SINGLE	Aug-95	15,000	50%	7,500
EXPERTS CHOICE SOFTWARE	AUSTIN, TEXAS	SINGLE	Aug-95	15,000	50%	7,500
PACIFIC GAS & ELECTRIC	SAN FRANCISCO, CA	SINGLE	Aug-95	15,000	50%	7,500
UPPER DECK COMPANY	CARLSBAD, CA	SINGLE	Aug-95	12,000	50%	6,000
TOTALS FOR AUGUST 95				415,500		252,100
BECHTEL NATIONAL INC.	SAN FRANCISCO, CA	SINGLE	Sep-95	15,000	70%	10,500
NOAA ENVIRONMENTAL INFO SVC	WASHINGTON, D.C.	SINGLE	Sep-95	12,000	70%	8,400
SANDIA NATIONAL LABS	ALBUQUERQUE, NM	SINGLE	Sep-95	13,500	70%	9,450
US ARMY CORPS OF ENGINEERS	FAIRFAX, VA	SINGLE	Sep-95	12,000	70%	8,400
COLLEGE CENTER FOR LIB AUTO	TALLAHASSEE, FL	SINGLE	Sep-95	15,000	60%	9,000

AS OF 3/10/95	Product Sales Pipeline		Company Confidential			
					PROD	FACTORED
ACCOUNT NAME	CITY, STATE	PRODUCT	MONTH	\$\$	%%	\$\$
COMMERCE CONNECTION	NEWTON, MASS	SINGLE	Sep-95	15,000	60%	9,000
FOURTH MESA	BALTIMORE, MD	SINGLE	Sep-95	15,000	60%	9,000
SPACE & NAVAL WARFARE CENTER	WASH, D.C. (?)	SINGLE	Sep-95	15,000	60%	9,000
TEST DRIVE	SANTA CLARA, CA	SINGLE	Sep-95	12,000	60%	7,200
UNICOR	WASHINGTON, D.C.	SINGLE	Sep-95	13,500	60%	8,100
ENERGY RESOURCE CONVER BOARD	CALGARY, ALBERTA	SINGLE	Sep-95	15,000	50%	7,500
INSTITUTE OF GAS TECHNOLOGY	DES PLAINES, IL	SINGLE	Sep-95	13,500	50%	6,750
NETWORK PUBLISHING, INC.	PROVO, UT	SINGLE	Sep-95	12,000	50%	6,000
SCHLUMBERGER LIMITED	NEW YORK, NY	SINGLE	Sep-95	13,500	50%	6,750
TCSI CORPORATION	BERKELEY, CA	SINGLE	Sep-95	13,500	50%	6,750
UNIVERSITY OF ST. THOMAS	ST. PAUL, MN	SINGLE	Sep-95	15,000	50%	7,500
TOTALS FOR SEPTEMBER 95				220,500		129,300
TOTALS FOR ALL MONTHS				2,021,985		1,315,677

NICK

Discussed with Len & Danni
at Danni's Trip

Q3 Revenue Forecast								97,408		3/23/95
	Actual	Actual	To-date	Forecast					Post March	
Source	Jan	Feb	Mar	Mar	Apr	May	Jun	Beyond	Totals	
Backlog/Booked Revenue:										
AOL		50,000	25,000	✓ 25,000					-	
CMP II,II & Qualcards			27,470	✓ 35,950	5,000				5,000	
CMP Maintenance	4,100	4,100	4,100	✓ 4,100	4,100	4,100	4,100	20,500	32,800	
Conquest		5,000		✓ 5,000					-	
Datavault	8,380	7,616	10,506	✓ 12,500	15,000	15,000	15,000	89,004	134,004	
Diamond Micro Systems		13,500							-	
Fulcrum		50,000		50,000		50,000			50,000	
George Mason University			15,000	✓ 15,000					-	
House Info Systems	5,000								-	
Information Concepts			13,050	✓ 13,050					-	
Intel	1,000	1,000	1,000	✓ 1,000					-	
Michels / Food Net	23,434			23,434		23,435	23,435	✓	46,869	
National Science Foundation		7,500							-	
NCMS	10,000								-	
NPD	12,500								-	
NYT/IBM		40,000	25,000	✓ 25,000	24,000				24,000	
Ntl Center Disease Cntrl		12,450			10,000				-	
Reuters					50,000	50,000	50,000	✓ 38,800	188,800	
RJO/DIIC	1,249			8,500			33,000	4,216	37,216	
SAIC	5,000							✓	-	
SBIR NASA	22,785				25,000	25,000	25,000	✓ 523,273	598,273	
Scholastic Maintenance	3,000	3,000	3,000	✓ 3,000	3,000	3,000	3,000	6,000	15,000	
Scientec			7,500	✓ 7,500					-	
SFNA			35,000	✓ 35,000		35,000	63,209	25,000	123,209	
Stanford		10,000			10,000	14,964			24,964	
Summary Corp			(7,500)	✓ (7,500)					-	
Univ of Mich	13,500								-	
Total Actual/Backlog	109,947	204,166	159,126	256,534	146,100	220,499	216,744	706,793	1,290,135	
Bruce to Close:										
American Geophysical Union			15,000	✓ 13,500						
BLM				15,000						
Datalytics			15,000	✓ 15,000						
EBSCO/Information Canada			14,500	✓ 15,000						
KPMG			10,000	✓ 20,000						
MIGA/World Bank				20,000						
Open Source 7mo renewal				4,143	4,142	4,142	4,142	12,426	24,852	
Pac Bell			14,000	✓ 14,000						
SCO				42,000						
Spry Free				25,000						
Spry Server				10,000						
Sun Sentinel				15,000						
Cushion				(108,000)						
Swedish University Agri			13,800	✓ 13,800						
Media/Rele Int'l Inc. Day			15,000	✓ 15,000						
Subtotal - Bruce	-	-	82,300	114,443	4,142	4,142	4,142	12,426	24,852	
AOL				35,000						
Legeslative Data Center			50,000	✓ 50,000		50,000		23,650	123,650	
SHL Systems House				10,000						
Subtotal Cyndy to Close			50,000	95,000		50,000		23,650	123,650	
Intel					30,000		50,000	70,000	150,000	
Simba				35,000		40,000			40,000	
Subtotal Larry				35,000	30,000	40,000	50,000	70,000	190,000	
Total Bottoms Up Fcst	109,947	204,166	291,426	500,976	180,242	314,641	270,886	812,869	1,628,637	
Cummulative	109,947	314,113	605,539	815,090	180,242	494,883	765,768	2,393,727	1,738,584	
Potential Upside -										
Bruce										
Larry										
Cyndy										
Total Actual/Forecast	109,947	204,166		500,976	180,242	314,641	270,886	812,869	1,738,584	
Cummulative	109,947	314,113		815,090	180,242	494,883	765,768	2,393,727		

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WAIS, Inc.
FY1995 Income Statement Forecast

	Actual												
	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
REVENUE													
Products	\$137,000	\$163,750	\$334,883	\$38,500	\$184,445	\$152,500	\$36,000	\$83,450	\$230,887	\$100,000	\$150,000	\$150,000	\$1,761,415
Government Contract	2,062	1,237	139,186	15,047		81,354	32,414	7,616	21,000	25,000	25,000	25,000	374,916
Production Services	50,000	20,000	68,000	26,900	70,400	53,850	41,533	113,100	238,000	200,000	300,000	300,000	1,481,783
International			100,000										100,000
Support & Maintenance										15,000	15,000	15,000	45,000
Total Revenue	189,062	184,987	642,069	80,447	254,845	287,704	109,947	204,166	489,887	340,000	490,000	490,000	3,763,114
			1,016,118			622,996			804,000			1,320,000	3,763,114
COST OF GOODS SOLD					41,850		15,000	15,000	15,000	30,000	30,000	30,000	176,850
GROSS MARGIN	189,062	184,987	642,069	80,447	212,995	287,704	94,947	189,166	474,887	310,000	460,000	460,000	3,586,264
	100%	100%	100%	100%	84%	100%	86%	93%	97%	91%	94%	94%	95%
Marketing & Sales	5,011	7,679	19,825	31,183	50,370	69,242	67,380	67,579	79,154	111,439	111,439	86,439	706,739
Washington Office	5,164	4,695	7,316	8,118	5,624	13,032	12,441	13,346	14,488	14,488	21,675	21,675	142,062
Production Services	6,370	7,589	23,656	34,346	63,963	52,374	20,812	24,510	38,278	54,722	73,224	64,677	464,518
Operations							16,175	16,190	15,300	13,067	26,700	14,700	102,132
Development	15,272	15,404	28,248	40,973	35,984	58,236	48,990	42,951	52,138	90,313	78,491	85,038	592,038
G&A	15,431	37,128	19,937	36,887	37,490	43,088	50,870	55,157	103,193	81,079	69,791	70,779	620,828
Total Expenses	47,248	72,495	98,982	151,506	193,430	235,971	216,668	219,732	302,549	365,107	381,319	343,307	2,628,318
Net Operating Income(Loss)	141,814	112,492	543,087	(71,059)	19,565	51,733	(121,721)	(30,566)	172,338	(55,107)	78,681	116,693	957,946
													25%
Interest Income (Expense)	342	354	381	688	(605)	379	555	410	(656)	(875)	(875)	(875)	(777)
Pretax Income(Loss)	142,156	112,846	543,468	(70,371)	18,960	52,112	(121,166)	(30,156)	171,681	(55,982)	77,806	115,818	957,169
other					1,450								1,450
Income Taxes	62,549	49,652	239,126	(20,963)	8,342	22,929	(53,313)	(13,269)	75,540	(24,632)	34,235	50,960	431,154
NET INCOME(LOSS)	\$79,607	\$63,193	\$304,342	(\$49,408)	\$9,167	\$29,183	(\$67,853)	(\$16,888)	\$96,142	(\$31,350)	\$43,571	\$64,858	\$524,565

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FY1995 Balance Sheet Forecast

AR Days	Actual												
	Jun-94	31 Jul-94	37 Aug-94	24 Sep-94	121 Oct-94	36 Nov-94	46 Dec-94	119 Jan-95	62 Feb-95	33 Mar-95	40 Apr-95	40 May-95	40 Jun-95
Current Assets													
Cash	\$134,341	\$191,475	\$201,094	\$321,267	\$424,589	\$437,682	\$357,328	\$207,113	\$133,020	\$211,837	\$243,720	\$82,510	\$200,409
Accounts Receivable	\$101,023	196,910	225,500	514,026	323,954	307,525	439,172	434,721	420,363	538,876	453,333	653,333	653,333
Deposits & Prepaids	5,875	2,395	2,395	41,058	29,389	35,427	26,080	52,086	62,493	47,493	47,493	47,493	47,493
Total Current Assets	241,239	390,780	428,989	876,351	777,932	780,634	822,580	693,920	615,876	798,205	744,547	783,336	901,235
Fixed Assets													
Furniture & Improvements	4,741	4,741	4,741	9,064	9,064	28,339	32,867	36,198	39,023	60,023	60,023	60,023	60,023
Equipment & Software	81,776	87,403	95,621	95,621	115,836	150,122	153,537	181,069	189,808	196,808	223,438	259,938	270,638
Production Services	3,301	3,301	3,301	7,670	7,670	11,794	11,794	16,519	23,982	62,982	70,082	85,082	85,082
Accumulated Depreciation	(30,053)	(32,651)	(35,479)	(38,499)	(42,081)	(46,241)	(51,236)	(57,232)	(63,768)	(73,884)	(84,938)	(97,422)	(110,203)
Net Fixed Assets	\$59,765	\$62,794	\$68,184	\$73,856	\$90,489	\$144,014	\$146,962	\$176,554	\$189,045	\$245,929	\$268,605	\$307,621	\$305,540
Other Assets	3,815	3,735	3,656	3,577	3,497	3,418	3,338	3,259	3,179	3,815	3,815	3,815	3,815
Total Assets	\$304,819	\$457,309	\$500,829	\$953,784	\$871,918	\$928,066	\$972,880	\$873,733	\$808,100	\$1,047,949	\$1,016,967	\$1,094,773	\$1,210,590
\$94													
Current Liabilities													
Accounts Payable	114,206	\$124,559	\$54,953	\$50,121	\$50,235	\$135,977	\$132,479	\$147,400	\$106,832	\$100,000	\$100,000	\$100,000	\$100,000
Accounts Receivable Line													
Note Payable - B Kahle	48,711	48,711	48,711	48,711	48,711								
Deferred Revenue	79,235	79,235	79,235					7,100	7,100	7,100	7,100	7,100	7,100
Accrued Income Taxes	6,100	68,648	118,580	345,141	312,569	322,518	341,647	288,333	280,174	355,714	331,082	365,316	416,276
A/R Line of Credit										75,000	100,000	100,000	100,000
Current Portion of Leases													
Total Current Liabilities	248,252	321,153	301,479	443,973	411,515	458,495	474,126	442,833	394,106	537,814	538,182	572,416	623,376
Equipment Leases													
Shareholders' Equity:													
Paid in Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Current Year Income (Loss)	31,187	79,607	142,801	447,143	397,735	406,903	436,086	368,232	351,345	447,486	416,136	459,708	524,565
Retained Earnings (Deficit)	380	31,549	31,549	37,668	37,668	37,668	37,668	37,668	37,649	37,649	37,649	37,649	37,649
Total Equity	56,567	136,156	199,350	509,811	460,403	469,571	498,754	430,900	413,994	510,135	478,785	522,357	587,214
Total Liabilities & Equity	\$304,819	\$457,309	\$500,829	\$953,784	\$871,918	\$928,066	\$972,880	\$873,733	\$808,100	\$1,047,949	\$1,016,967	\$1,094,773	\$1,210,590
Quick Ratio (Cash + AR/Curr Liab)													
Quick Ratio (Cash + AR/Curr Liab)	0.95	1.21	1.42	1.88	1.82	1.63	1.68	1.45	1.40	1.40	1.30	1.29	1.37
Tangible Net Worth	56,567	136,156	199,350	509,811	460,403	469,571	498,754	430,900	413,994	510,135	478,785	522,357	587,214
Debt/Tangible Net Worth	4.4	2.4	1.5	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1

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WAIS, Inc.
FY1995 Sources & Uses of Cash Forecast

A/R Days:

	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
<i>Beginning Cash Balance</i>	\$134,341	\$191,475	\$201,094	\$321,267	\$424,589	\$437,682	\$357,328	\$207,113	\$133,020	\$211,837	\$243,721	\$82,510	\$134,341
<i>Sources of Cash</i>													
Revenues	189,062	184,987	642,069	80,447	254,845	287,704	109,947	204,166	489,887	340,000	490,000	490,000	3,763,114
Less accounts receivable increases	(95,857)	(28,590)	(288,526)	190,072	16,429	(131,647)	4,451	14,358	(118,513)	85,542	(200,000)		(552,310)
Accounts Receivable Line													
Current Liability Increases	72,901	(19,674)	142,494	(32,458)	46,980	15,631	(31,293)	(48,727)	143,708	368	34,235	50,960	375,124
Retained Earnings Changes			6,119					(19)					6,100
Paid in Capital Increases													
Total Sources	166,076	136,723	502,156	238,061	318,254	171,688	83,105	169,778	515,082	425,910	324,235	540,960	3,592,028
<i>Uses of Cash</i>													
Operating expenses	46,906	72,141	98,601	150,818	194,035	235,592	216,113	219,322	303,206	365,982	382,194	344,182	2,629,095
Less Depreciation	(2,598)	(2,825)	(3,920)	(3,582)	(4,190)	(4,995)	(5,996)	(6,538)	(10,116)	(11,053)	(12,484)	(12,781)	(80,150)
Cost off Sales					41,850		15,000	15,000	15,000	30,000	30,000	30,000	176,850
Other					1,449								1,449
Income taxes	62,549	49,652	239,126	(20,963)	8,342	22,929	(53,313)	(13,269)	75,540	(24,632)	34,235	50,960	431,154
Deposits & Prepaids Increases	(3,480)		38,663	(11,666)	6,038	(8,347)	26,006	10,407	(15,000)				41,618
Furniture			4,323		19,275	4,528	3,331	2,825	21,000				55,282
Equipment & Software	5,627	8,218		20,215	34,286	3,415	27,532	8,739	7,000	26,630	36,500	10,700	188,862
Production Services Assets			4,369		4,124		4,725	7,463	39,000	7,100	15,000		81,781
Other Asset Increases	(82)	(79)	(79)	(80)	(79)	(80)	(79)	(80)	636				18
Total Uses	108,942	127,104	381,983	134,739	305,161	252,042	233,319	243,872	436,265	394,027	485,445	423,061	3,525,960
<i>Ending Cash Balance</i>	\$191,475	\$201,094	\$321,267	\$424,589	\$437,682	\$357,328	\$207,113	\$133,020	\$211,837	\$243,721	\$82,510	\$200,409	\$200,409

Company-Wide Expenses
FY1995

	Actuals														1994 Total
	Jun-94	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total	
Salaries	44,435	28,719	30,634	15,623	50,041	54,185	75,962	95,880	110,095	128,612	184,471	208,696	195,708	1,178,627	356,079
Payroll Taxes	3,371	868	685	7,158	3,547	4,801	4,509	11,317	12,118	13,328	18,501	20,681	19,512	117,027	30,068
Medical Insurance	1,718	1,351	1,440	3,101	2,002	1,821	2,326	2,744	4,358	4,106	5,782	6,696	6,306	42,033	11,108
Consulting	8,825	4,663	9,213	26,868	37,150	72,616	72,510	33,660	18,942	19,250	12,250	6,000	12,250	325,373	89,050
Recruiting		0	49	1,184	9,625	6,422	6,607	6,382	7,074	4,500	9,000	14,000	8,000	72,843	
Travel	9,944	0	2,388	12,191	10,783	9,504	18,942	17,704	11,399	18,500	18,500	18,500	18,500	156,911	41,807
Training		0	-33	256	812	0	100	0	0	0	0	0	0	1,135	
Depreciation		2,598	2,748	3,020	3,582	4,066	4,995	5,927	6,467	10,116	11,053	12,484	12,781	79,838	4,000
Equipment Rent/Lease	484	455	975	1,028	1,739	272	2,244	469	997	500	500	500	500	10,179	3,932
Equipment/Software	970	0	1,076	1,594	1,739	4,382	635	1,006	224	2,200	2,200	2,200	2,200	19,456	32,766
Network access	219	0	2,371	1,185	3,337	20	100	1,629	931	1,600	2,600	2,600	2,600	18,973	2,534
Computer supplies	1,158	131	411	522	1,048	1,140	1,665	582	1,378	1,850	1,850	1,850	1,850	14,277	18,545
Other		827	1,017	532	4,245	-476	-2,444	836	1,474	30,100	5,100	800	800	42,811	
														0	
Marketing\Sales Only	3,659													0	10,214
Commissions		2,000	1,700	6,699	1,308	9,897	13,254	11,078	13,308	24,494	17,000	24,500	24,500	149,738	
Advertising		0	0	0	0	0	0	0	0	0	0	0	0	0	
Seminars		100	0	249	0	0	0	0	995	0	0	0	0	1,344	
Public Relations		0	27	0	0	0	1,294	445	6,228	0	0	0	0	7,994	
Direct Mail		0	0	0	975	0	(975)	0	154	0	0	25,000	0	25,154	
Trade Shows		0	0	0	0	3,230	5,931	6,445	1,353	0	7,500	0	0	24,459	
Collateral Development		0	0	0	0	0	4,994	0	498	0	25,000	0	0	30,492	
Collateral Advertising		0	0	0	0	0	0	1,196	0	5,000	5,000	5,000	5,000	21,196	
G&A Only		308	375	0	0	716	0	0	0	0	0	0	0	1,399	
Office Rent	3,480	3,480	4,140	5,179	5,800	5,310	7,147	6,854	7,104	18,093	12,500	12,500	12,500	100,607	36,240
Office Supplies	1,430	781	3,910	3,615	5,072	3,863	2,260	1,860	2,535	3,000	3,000	3,000	3,000	35,896	22,226
Office Maintenance		80	1,431	1,086	1,484	353	2,038	309	334	150	150	150	150	7,715	
Postage & Delivery	254	10	706	488	287	2,086	682	2,214	1,971	1,150	1,150	162	1,150	12,056	5,000
Telephone	3,179	742	4,766	4,722	4,449	5,349	8,621	5,497	7,694	7,500	7,500	7,500	7,500	71,840	31,819
Equipment Repair		0	0	184	0	170	0	0	521	250	250	250	250	1,875	
Bank Charges		0	0	0	0	0	0	0	0	150	150	150	150	600	
Dues & Subscriptions		0	66	0	0	0	0	0	0	100	100	100	100	466	
Legal & Accounting	1,262	135	2,400	2,060	2,310	2,003	1,744	2,022	1,500	8,000	8,000	8,000	8,000	46,174	14,736
Casualty Insurance		0	0	0	0	-87	0	0	0	0	6,000	0	0	5,913	
Meetings		0	0	0	0	1,787	830	612	80	0	0	0	0	3,309	
Property Tax		0	0	438	171	0	0	0	0	0	0	0	0	609	
	1,077	0	0	0	0	0	0	0	0	0	0	0	0	0	4,991
	85,465	47,248	72,495	98,982	151,506	193,430	235,971	216,668	219,732	302,549	365,107	381,319	343,307	2,628,318	715,115
														0	
Marketing & Sales		5,011	7,679	19,825	31,183	50,370	69,242	67,380	67,579	79,154	111,439	111,439	86,439	706,739	
Washington Office		5,164	4,695	7,316	8,118	5,624	13,032	12,441	13,346	14,488	14,488	21,675	21,675	142,062	
Development		15,272	15,404	28,248	40,973	35,984	58,236	48,990	42,951	52,138	90,313	78,491	85,038	592,038	
Operations		0	0	0	0	0	0	16,175	16,190	15,300	13,067	26,700	14,700	102,132	
Publishing		6,370	7,589	23,656	34,346	63,963	52,374	20,812	24,510	38,278	54,722	73,224	64,677	464,518	
G&A		15,431	37,128	19,937	36,887	37,490	43,088	50,870	55,157	103,193	81,079	69,791	70,779	620,828	
		47,248	72,495	98,982	151,506	193,430	235,971	216,668	219,732	302,549	365,107	381,319	343,307	2,628,318	
														0	
Accounts payable (see bold items above)		5,595	19,125	25,710	33,604	36,869	40,605	35,522	46,461	62,900	68,582	100,996	69,606		

Marketing & Sales Expenses
FY1995

[illegible]

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Marketing & Sales Salaries
FY1995

	Title	Name	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
\$60,000	VP Sales & Mktg	Bruce Gilliat				5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
\$20,000	Sales Assistant	Than Lee	1,667	1,667	1,667	1,667	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	23,328
\$48,000	VAR Mgr	Cindy Miller				4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	36,000
\$65,000	Product Mktng Mgr	TBH													
\$40,000	Telesales Rep	Kevin Cronin/TBH		1,000	2,000	2,000	2,000	2,000	2,331	3,750	3,333	3,333	3,333	3,333	28,414
\$30,000	Telesales Rep	TBH										2,500	2,500	2,500	7,500
\$48,000	Federal Sales Rep	TBH										4,000	4,000	4,000	12,000
\$48,000	Online Sales	Larry Steinberg				4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	36,000
\$75,000	Marcom Mgr	TBH Lori Nelson								6,250	6,250	6,250	6,250	6,250	31,250
\$35,000	Marketing Support	Dia Chenney						2,500	2,500	2,500	2,917	2,917	2,917	2,917	19,167
\$80,000	Business Development	John Duhring							6,667	6,667	6,667	6,667	6,667	6,667	40,000
	Temps/Misc					-167			1364						1,197
	Total		1,667	2,667	3,667	16,500	17,083	19,583	27,944	34,249	34,249	40,749	40,749	40,749	279,856
	Commission Rate		2%	2%	2%	3.0%	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
	Contractors														
	Darryl Daugherty & Other							1,519	360						1,879
	Mat Garr/John Graham					4,000		2,000							6,000
	Lori Nelson						6,500	6,500	3,250						16,250
	Ken Toyama	datasheet					1,000								1,000
	Judith Baker	datasheet					440								440
						4,000	7,940	10,019	3,610						25,569

Commision Rate Calculation

	Quota	Full Quota	Comp	Base	Commission	Rate
Telesales rep	1,000,000	64,000	24,000	40,000	4%	
Var Manager	1,200,000	96,000	48,000	48,000	4%	
Inside SalesRep	1,200,000	96,000	48,000	48,000	4%	
Telesales 2	1,000,000	64,000	24,000	40,000	4%	
Federal Sales	1,200,000	96,000	48,000	48,000	4%	
	5,600,000	416,000	192,000	224,000		
VP Sales		172,000	60,000	112,000	2%	
	5,600,000	588,000	252,000	336,000	6.0%	

3/29/95

**Washington Expenses
FY1995**

		Actual													
		Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total	
Department direct															
Salaries		4,083	4,083	5,459	5,000	4,083	7,831	8,250	8,250	8,250	8,250	14,500	14,500	92,539	
Contractors															
Total salaries & contractors		4,083	4,083	5,459	5,000	4,083	7,831	8,250	8,250	8,250	8,250	14,500	14,500	92,539	
Payroll Taxes	9%	367	367	358	383	313	349	1,001	702	743	743	1,305	1,305	7,936	
Medical Insurance	6%	245	245	613	306	306	306	58	670	495	495	870	870	5,479	
Total insurance & taxes		612	612	971	689	619	655	1,059	1,372	1,238	1,238	2,175	2,175	13,415	
Department overhead															
Recruiting					788	184	169							1,141	
Travel				851	335	253	1,710	152	465	2,000	2,000	2,000	2,000	11,766	
Training															
Depreciation							126	194	256					576	
Equipment Rent/Lease						95								95	
Equipment/Software					271			19		150	150	150	150	890	
Network access				35	35			70		500	500	500	500	2,140	
Computer supplies							438	134	296	100	100	100	100	1,268	
Other		469				140	1		19	100	100	100	100	1,029	
Office Rent					1,000	250	1,554	1,554	1,554	1,500	1,500	1,500	1,500	11,912	
Office Supplies							177	176	275					628	
Office Maintenance/security															
Postage & Delivery								93	125	150	150	150	150	818	
Telephone							371	740	694	500	500	500	500	3,805	
Equipment Repair									40					40	
Dues & Subscriptions															
Total department overhead		469		886	2,429	922	4,546	3,132	3,724	5,000	5,000	5,000	5,000	36,108	
		5,164	4,695	7,316	8,118	5,624	13,032	12,441	13,346	14,488	14,488	21,675	21,675	142,062	
Cummulative					25,294	30,918									
									-222			was			
												Increase (decrease)			

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Washington Salaries
FY1995

	Title	Name	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
60,000	Manager	Kevin Oliveau	4,083	4,083	5,459	5,000	4,083	5,000	5,000	5,000	5,000	5,000	5,000	5,000	57,708
39,000	Engineer	Norm						2,831	3,250	3,250	3,250	3,250	3,250	3,250	22,331
50,000	Engineer	TBH											4,167	4,167	8,333
25,000	Administration	TBH											2,083	2,083	4,167
Total			4,083	4,083	5,459	5,000	4,083	7,831	8,250	8,250	8,250	8,250	14,500	14,500	92,539

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Production Services Expenses
FY1995

	Actuals								Mar-95	Apr-95	May-95	Jun-95	Total
	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95					
Department Direct													
Salaries	4,333	4,667	5,000	11,667	16,747	21,882	10,625	18,072	25,472	38,638	56,572	43,583	257,257
Consulting	580	530	10,680	9,059	45,207	19,015	6,800	0	2,000	2,000	2,000	2,000	99,871
Total salaries + contractors	4,913	5,197	15,680	20,726	61,954	40,897	17,425	18,072	27,472	40,638	58,572	45,583	357,128
Payroll Taxes	9.0%	842	-43	1,848	383	771	-429	813	1,383	2,292	3,477	5,091	20,352
Medical Insurance	3.0%	498	499	499	499	499	587	169	727	764	1,159	1,697	8,905
Total insurance + taxes		1,340	456	2,347	882	1,270	158	982	2,110	3,057	4,637	6,789	29,257
Department Overhead													
Recruiting			1,000	5,990		3,380			2,500	4,000	2,000	8,000	26,870
Travel		456	2,013	4,750	359	4,186	1,983	3,360	3,000	3,000	3,000	3,000	29,107
Training													0
Depreciation	92	126	248	248	328	328	312	427	1,750	1,947	2,363	2,363	10,532
Equipment Rent/Lease	25	0		16		2,147	23						2,211
Equipment/Software		820	1,005	0	52								1,877
Network access	0	534	1,052	870	0			65					2,521
Computer supplies			311	514	0	396		241	500	500	500	500	3,462
Other				350		882	87	235					1,554
Total department overhead	117	1,936	5,629	12,738	739	11,319	2,405	4,328	7,750	9,447	7,863	13,863	78,134
													0
													0
													0
													0
	6,370	7,589	23,656	34,346	63,963	52,374	20,812	24,510	38,278	54,722	73,224	64,677	464,518
				71,960									
			37,614										
											was		
											increase (decrease)		

Report 5A
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Production Services Salaries
FY1995

	Title	Name	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
\$80,000	VP Publishing	John Duhring				6,667	6,667	6,667		transferred to sales & marketing					20,000
\$80,000	Production Manager	TBH Pat Greer									2,000	5,333	6,667	6,667	20,667
\$57,000	Production Manager	Meikle Syme-Hall					3,000	4,750	4,750	4,750	4,750	4,750	4,750	4,750	36,250
\$45,000	Systems Admin	Kevan Garrett					2,080	3,750	transferred to operations						5,830
\$60,000	Information Engineer	Dan Aronson	4,333	4,667	5,000	5,000	5,000	5,000	ops				5,000	5,000	44,000
\$58,000	Human Interface Engineer	Claude Devarenne						1,715	4,833	4,833	4,833	4,833	4,833	4,833	30,715
\$58,000	Human Interface Engineer	TBH										4,833	4,833	4,833	14,500
\$65,000	Information Engineer	TBH Goang											12,000	5,417	17,417
\$55,000	Information Engineer	TBH John Sweet									5,400	5,400	4,583	4,583	19,967
\$65,000	Information Engineer	TBH											5,417	5,417	10,833
\$25,000	User Testing Coordinator	Aneesa Sen Akela	0						1,041	2,083	2,083	2,083	2,083	2,083	11,458
									0	0	0	0	0	0	0
	Information Engineer	Peter Graf							0	6,405	6,405	6,405	6,405	0	25,620
									0	0	0	0	0	0	0
									1	0	0	0	0	0	1
															0
	Total		4,333	4,667	5,000	11,667	16,747	21,882	10,625	18,072	25,472	38,638	56,572	43,583	257,257
		Cummulative			14,000										
									0						
Consultants															
CMP		Keira B.			4,000	5,000	15,000	3,600	see development						27,600
CMP		Terry/Tara			4,000	1,000	3,760				2,000	2,000	2,000	2,000	16,760
DJ/Reuters		Claude					5,410	6,600							12,010
		Aneesa				709	902	1,595							3,206
Reuters		Peter Graf					6,800	6,800	6,800						20,400
other			580	530	2,680	2,350		420							6,560
CMP		Mitra/TBH					13,335								13,335
			580	530	10,680	9,059	45,207	19,015	6,800	0	2,000	2,000	2,000	2,000	99,871

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Development Expenses
FY1995

	Actuals												Total
	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	
Department Direct													
Salaries	7,500	7,500	13,121	12,250	8,917	16,000	16,727	15,667	26,849	61,167	59,750	59,750	305,198
Contractors	4,083	4,083	9,250	14,887	12,250	34,750	18,250	12,354	12,250	8,250	2,000	8,250	140,658
Total salaries + contractors	11,583	11,583	22,371	27,137	21,167	50,750	34,977	28,021	39,099	69,417	61,750	68,000	445,855
Payroll Taxes	9.0%	886	261	1,142	991	635	1,279	1,199	2,416	5,505	5,378	5,378	25,751
Medical Insurance	3.0%	178	178	178	355	266	211	303	805	1,835	1,793	1,793	8,610
Total insurance & taxes		1,064	439	1,320	1,346	948	1,582	1,915	3,222	7,340	7,170	7,170	34,362
Department overhead													
Recruiting			168	2,847	6,223	3,058	6,382	6,478	2,000	5,000			32,156
Travel			1760	3,512	781		1,778	2,491	500	500	500	500	12,322
Training													
Depreciation	2,506	2,543	2621	2,542	1,962	2,426	2,668	2,668	5,467	6,207	7,221	7,518	46,348
Equipment Rent/Lease	119	156	119	133	17		119	869	500	500	500	500	3,532
Equipment/Software		150		771	4,330	510	987		500	500	500	500	8,748
Network access		533	98	2,432		100	199		100	100	100	100	3,762
Computer supplies			41	195	540	482		190	750	750	750	750	4,448
Other			-250	58	16	64	298	319					505
Total dept overhead	2,625	3,382	4,557	12,490	13,869	6,640	12,431	13,015	9,817	13,557	9,571	9,868	111,821
	15,272	15,404	28,248	40,973	35,984	58,236	48,990	42,951	52,138	90,313	78,491	85,038	592,038
Cummulative			58,926	99,898	135,882						Was		
											Increase (Decrease)		

Report6A
29-Mar-95

Development Contractors
FY1995

	Name	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
Protocols Maint. General	Margaret St Pierre	4,083	4,083	6,250	6,250	6,250	18,750	6,250	6,250	4,000			6,250	68,417
Fulcrum Documentation	JP Masser			3,000	8,356	6,000	16,000	6,000	6,104	6,250	6,250	2,000	2,000	54,960
										2,000		2,000		11,000
Acting Development Mgr	Keira Bromberg							6,000						6,000
unlocated					281									281
Total		4,083	4,083	9,250	14,887	12,250	34,750	18,250	12,354	12,250	8,250	2,000	8,250	140,658

Report 6B
29-Mar-95

Development Salaries
FY1995

	Title	Name	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
\$100,000	VP Development	TBH Edy Henderson									758	8,333	8,333	8,333	25,758
\$75,000	Senior Engineer	Harry Morris	4,167	4,167	6,250	4,167	4,167	11,250	6,250	6,250	6,250	6,250	6,250	6,250	71,668
\$57,000	Engineer	Will Tuthil				4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	42,750
\$68,000	Support Engineer	Ben Lai/Tom Ajaye	3,333	3,333	3,333	3,333				6,967	5,667	5,667	5,667	5,667	37,299
\$56,000	Engineer	Marion Esanu							5,727	4,667	4,667	4,667	4,667	4,667	29,060
\$70,000	Engineer	TBH Georgios Papadopoulos										13,000	5,833	5,833	24,667
\$83,000	Engineer	TBH Dilip G.									3,458	6,917	6,917	6,917	24,208
\$70,000	Engineer	TBH Chris Toomy										5,833	5,833	5,833	17,500
\$70,000	Engineer	TBH Jeff Susna										2,917	5,833	5,833	14,583
\$50,000	Support Engineer	TBH													
\$68,000	Engineer (SBIR Project)	TBH										2,833	5,667	5,667	14,167
		TBH													
Misc					3,538										3,538
Total			7,500	7,500	13,121	12,250	8,917	16,000	16,727	15,667	26,849	61,167	59,750	59,750	305,198

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FY1995

Cummulative	16,175	16,190	15,300	13,067	26,700	14,700	102,132
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Report 6A
29-Mar-95

Operations Contractors
FY1995

	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
Jean Christofferson							5,000	5,000	3,000				13,000

Total							5,000	5,000	3,000				13,000
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Report 6B
29-Mar-95

Operations Salaries
FY1995

	Title	Name	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
\$40,000	Director of Ops	TBH										3,333	3,333	3,333	10,000
\$45,000	System Admin	Kevan Garrett							3,750	3,750	3,750	3,750	3,750	3,750	22,500
\$57,000	System Admin	Dan Aronson							5,000	5,000	5,000				15,000
\$35,000	System Admin	TBH										1,458	2,917	2,917	7,292

Total							8,750	8,750	8,750	8,542	10,000	10,000	54,792
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29-Mar-95

G&A Expenses
FY1995

	Actuals												Total
	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	
Salaries	11,136	11,717	(11,624)	4,625	7,356	10,667	23,584	25,108	25,042	27,125	27,125	27,125	188,985
Payroll Taxes	16.0% (1,890)	501	1,635	884	1,221	3,622	4,824	4,206	4,007	4,340	4,340	4,340	32,030
Medical Insurance	3.0% 341	429	1,722	567	568	647	728	734	751	814	814	814	8,929
Consulting		4,600	6,938	9,204	7,219	8,726		1,588	2,000	2,000	2,000	2,000	46,275
Recruiting													
Travel			2,593	514	65	1,283	3,527	2,382	3,000	3,000	3,000	3,000	22,364
Training						100							100
Depreciation		79	151	151	1,095	896	965	1,068	1,100	1,100	1,100	1,100	8,805
Equipment Rent/Lease	225	546	395	234	160	97	214						1,871
Equipment/Software		106		697				224	1,050	1,050	1,050	1,050	5,227
Network access		652			20		290	(85)					877
Computer supplies	131	100	170	339	533	349	448	287					2,357
Other	260	979	185	1,099	(1,331)	(4,519)	(515)	594	30,000	5,000	700	700	33,152
G & A ONLY													
Office Rent	3,480	4,140	5,179	4,800	5,060	5,593	5,300	5,550	16,593	11,000	11,000	11,000	88,695
Office Supplies	781	3,910	3,615	5,072	3,863	2,083	1,684	2,260	3,000	3,000	3,000	3,000	35,268
Office Maintenance/security	80	1,431	1,086	1,484	353	2,038	309	334	150	150	150	150	7,715
Postage & Delivery	10	706	488	287	2,086	682	2,121	1,846	1,000	1,000	12	1,000	11,238
Telephone	742	4,766	4,722	4,449	5,349	8,250	4,757	7,000	7,000	7,000	7,000	7,000	68,035
Equipment Repair			184		170			481	250	250	250	250	1,835
Bank Charges									150	150	150	150	600
Dues & Subscriptions		66							100	100	100	100	466
Legal & Accounting	135	2,400	2,060	2,310	2,003	1,744	2,022	1,500	8,000	8,000	8,000	8,000	46,174
Casualty Insurance					(67)					6,000			5,913
Meetings					1,787	830	612	80					3,309
Property Tax			438	171									609
	15,431	37,128	19,937	36,887	37,490	43,088	50,870	55,157	103,193	81,079	69,791	70,779	620,828
Cummulative				109,383	146,873								

was
increase(decrease)

G&A Salaries
FY1995

	Title	Name	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
\$105,000	President	Brewster Kahle	7,083	7,083	-16,249			2,500	8,750	8,750	8,750	8,750	8,750	8,750	52,917
\$120,000	OOO	TBH													
\$25,500	Exec. Assistant	Judy Chen	1,553	2,134	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	24,937
\$30,000	Office Manager	Dia /Anesa/Vict	2,500	2,500	2,500	2,500	2,500	1,042	1,042	2,500	2,500	2,500	2,500	2,500	27,084
\$60,000	Controller	Mary McCall					2,731	5,000	5,000	5,000	5,000	5,000	5,000	5,000	37,731
\$80,000	CFO	Nick Scharf							6,667	6,667	6,667	6,667	6,667	6,667	40,000
\$25,000	Reception											2,083	2,083	2,083	6,250
										66					66
	Total		11,136	11,717	-11,624	4,625	7,356	10,667	23,584	25,108	25,042	27,125	27,125	27,125	188,985

OPTION 1

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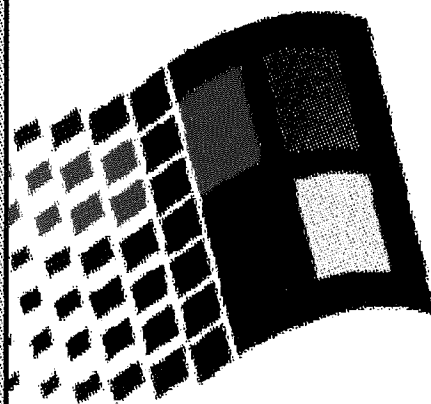
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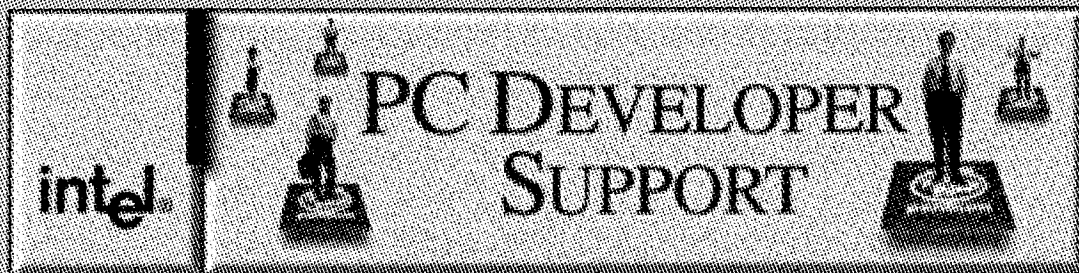
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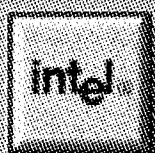
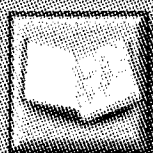
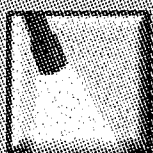
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RELEVANT PERSONAL EDITION

Edin Ensemble Information Systems, Inc.

Tuesday, January 17, 1995

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Internet based investor service completes trials; adds mutual funds to investment offerings

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NETCOM Subscriber Base Surpasses 70,000 Six Times More Subscribers than a Year Ago

NEW FAX SERVICE ADDRESSES STATE OF THE UNION EVERY DAY

Premier Network Identity Builders BIG FAT TV to Help

Illustration: V. John Edwards Shows the Future of

OPTION 2

Long Term Internet Strategy

**Brewster Kahle
August 28, 1995
Preliminary DRAFT**

- **GNN The Website**
- **GNN The Service**
- **GNN The Platform**

GNN the WebSite

- **Mission: Best Magazine on the Net**
- **Revenue: Advertising**
- **Similar Systems:**
 - Pathfinder (\$10M/yr),
 - Yahoo (?M/yr)
- **Current spending:**
 - \$5M/year (figuring 50 people)

GNN the Service

- **Mission:**

- Easy dialup Internet
- Aggregation Worth Paying For.

- **Revenue: Subscriptions**

- **Related Systems:**

- Netcom(\$XM/yr/Musers),
- AOL (\$XM/yr/Musers),
- ATT, MCI

- **Current spending:**

- \$50M/yr for marketing suggested by Steve.

- **Leverage: use AOL infrastructure for cust support, billing**

Bring Internet together
• easy access
• WWW, NNTP
• personal Publishing
• Cust services
• great content
• price

\$50M
\$100M
\$200M
200K subs

Network, acquisition, Ad sales,
momentum, J.P.D. Steve

→ GNN the Platform

tools
development
editorial
3rd party

- **Mission:**
 - Help others make money by publishing on the net
 - Also mission of "GNN the Service"
- **Revenue: Subscription, Royalty**
- **Related Systems:**
 - Netscape (\$100M next year ?),
 - MSN (\$?M next year),
 - AOL, Minitel
- **Leverage: existing cust base, service history**

Option 2 Questions

- Do we keep the WAIS infrastructure for now?
- Corporate Support?

None, I've got product

Gov

Leak Platform

- open
- setting stds
- ability for any IP to "attach" themselves to platform
- support
 - content dev/presentation
 - billing via service / commerce / transactions
 - interacting
 - games

6/17

captain's list

GMM

unlabeled "list"

- Steve
- Ted
- Cole?
- Lynn Ch. tow
- Reggie Fierchild
- Lisa Ann Hyatt
- Todd Lash
- Lydia Dobyns
- Sun - 1 Paul
- David Kirk

unlabeled "list"

OPTION 3
Option Taken

maximize northern sales

Forecast shortfall of WTS Inc

residual support oblig.

• review 2.0 specs, attend

• Harry & Will will get interview

• describe EB to Linda

• Thursday Bruce, David, George, Lydia, Brewster

• George ^{Andia} ~~support~~ channel & Int sales
geor11@aol.com *send mail

WAIS, Inc.**FY 1995 Invoices by Customer**

Customer	Total Invoices	% of Total
America Online Total	161,000.00	5.25%
American Geophysical Total	15,000.00	0.49%
AT&T Bell Labs Total	12,000.00	0.39%
Boeing Total	5,000.00	0.16%
Cambridge Information Group Total	12,000.00	0.39%
Charles Stark Draper Lab Total	15,000.00	0.49%
Chicago Tribune Total	22,500.00	0.73%
CMP Publications Total	177,720.00	5.80%
Colgate-Palmolive Co. Total	1,000.00	0.03%
ConQuest Software Total	20,000.00	0.65%
Ctr for Disease Control Total	22,450.00	0.73%
Darwin Molecular Corp Total	15,000.00	0.49%
Datalytics, Inc. Total	30,000.00	0.98%
Datavault Total	94,678.50	3.09%
DEC Total	12,000.00	0.39%
Delphi Internet Services Co Total	20,000.00	0.65%
Diamond Micro Solutions Total	13,500.00	0.44%
Dow Jones Total	50,000.00	1.63%
EBSCO Total	2,400.00	0.08%
Empower Computerware Total	0.00	0.00%
EPA Total	5,000.00	0.16%
Expeer/Vision Net Total	40,000.00	1.30%
Fujitsu Total	148,000.00	4.83%
Fulcrum Technologies Total	150,000.00	4.89%
George Mason University Total	15,000.00	0.49%
Georgetown University Total	5,000.00	0.16%
Globe Newspaper Total	10,000.00	0.33%
House Information Systems Total	5,000.00	0.16%
INEL Total	5,000.00	0.16%
Information Canada Total	15,696.25	0.51%
Information Concepts, Inc. Total	13,050.00	0.43%
Informa-Univ of Mich Total	13,500.00	0.44%
Intel Corp. Total	217,345.63	7.09%
Internet Shopping Network Total	16,237.50	0.53%
KMPG/SEMI Total	40,000.00	1.30%
KPMG Total	10,000.00	0.33%
KPMG Peat Marwick Total	10,879.13	0.35%
Lawrence Livermore Total	5,000.00	0.16%
Legislative Data Center Total	78,875.00	2.57%
Loral Federal Systems Total	15,000.00	0.49%
Los Alamos Nat'l Lab Total	2,500.00	0.08%
Martin Marietta Energy Sys Total	17,750.00	0.58%
Medical Data Interface Design Total	15,000.00	0.49%
Mentor Graphics Total	15,000.00	0.49%
Michels Corp. Total	70,300.50	2.29%
NASA Total	30,750.00	1.00%

WAIS, Inc.**FY 1995 Invoices by Customer**

Customer	Total Invoices	% of Total
NASA Lyndon B. Johnson Total	22,785.00	0.74%
National Archives Total	15,000.00	0.49%
Natl Sci Fdn Total	7,500.00	0.24%
NAVWAC Total	1,000.00	0.03%
NCMS Total	20,000.00	0.65%
Net+Effects Total	10,554.38	0.34%
New York Times/IBM Total	65,000.00	2.12%
NovX Systems Integration Total	16,000.00	0.52%
NPD Total	0.00	0.00%
NSA Total	225,000.00	7.34%
NSF Total	22,500.00	0.73%
NY Law Publishing Total	2,500.00	0.08%
Opensource/PRC Inc. Total	218,383.33	7.12%
Pacific Bell Total	25,155.00	0.82%
PC Ware Total	16,666.86	0.54%
Press Link Total	15,000.00	0.49%
RCS Total	70,000.00	2.28%
Reuters Total	60,000.00	1.96%
Rice Univ Total	5,000.00	0.16%
RJO Enterprises Total	137,491.25	4.48%
SAIC Total	15,000.00	0.49%
Sandia National Laboratories Total	25,000.00	0.82%
Santa Cruz Operations Total	43,245.88	1.41%
Scholastic, Inc. Total	55,000.00	1.79%
Scienteck, Inc. Total	7,500.00	0.24%
SFNA Total	35,000.00	1.14%
Software Spectrum Total	15,000.00	0.49%
Stanford University Total	50,582.75	1.65%
Summary Corp Total	0.00	0.00%
Sun Sentinel Total	15,000.00	0.49%
Swedish Univ of Ag & Sci Total	13,800.00	0.45%
TASC Total	20,000.00	0.65%
The World Bank Total	30,000.00	0.98%
U.S. GPO Total	15,000.00	0.49%
United States Senate Total	1,000.00	0.03%
Univ of Illinois Total	15,000.00	0.49%
Universite Laval Total	12,750.00	0.42%
University College London Total	17,500.00	0.57%
University of Tenn Total	7,500.00	0.24%
US Dept of Commerce/NTIS Total	12,500.00	0.41%
US Dept. of Energy Total	2,917.00	0.10%
US GPO Total	5,000.00	0.16%
USGS Total	15,000.00	0.49%
Westlaw Publishing Total	10,000.00	0.33%
	3,065,963.95	100.00%

FAX to Kelly Bays office

703-918-1400

May 11

Be to required arecast

- Old method primary acts (through network)
- New method generally meets

EQ Product

Lack of leadership of (Pa) Service
Sports Network

Copy
I had for the
FYI. I had for the
to do this for the
think it
unique +
like +
New

#3751K

#50K

Look in Sports Network

David Cole Mtg 9/1/95

✓ Agree on current understanding

✓ Scope of GNN development

• Will ~~GNN~~ WAIS server be sold as 3rd product?
as of when?

• ~~also~~ How will production services be supported?

• Who "owns" customer relationships?
Offer problem customers their money back?

• Who "owns" partner relationships?

• New WAIS in Microsoft product plan
~~use WAIS~~

✓ Want any info on former or current WAIS personnel

• Compensation for telesales ~~or~~ for August sales

• Who do the ^{george} product people report to?

• Free version?

• Spin off support? in house support?

To: SteveC@aol.com, LenL@aol.com, Leonsis@aol.com
From: brewster@wais.com (Brewster Kahle)
Subject: WAIS Status letter
Cc: MConnors@aol.com, BDunn1@aol.com, bschuler@medior.com, david
Bcc: bruce, edy

When back in Vienna and got reamed for the recent financial performance of WAIS by Steve and Len. AOL paid a fair price for WAIS Inc and wants to know what is happening. I was surprised to find the lack of visibility at the top of the management and mission changes. Hopefully this note will help.

This note is to explain my understanding of:

WAIS Current Status

WAIS Technology Assets overview

How we got here

What options we have moving forward

email's to come: WAIS Technology Assets, Responsibilities, WAIS ex-CFO report

If these notes are unnecessary or inappropriate, please say so.

If there are wrong points in it, please point them out. If you have input on what AOL should be doing differently with the WAIS capabilities, please speak now.

Barry Schuler and David Kaiser will be back from vacations next week. I will be back in Vienna next week and hope to get this matter behind us.

My Viewpoint: WAIS should be built up, not dismantled (as is happening). AOL should let the successful team be successful. If I were put in charge, and allowed to run it with Bruce and additional help, then I can make it a successful organization again.

WAIS Current Status

Product has been stopped; future uncertain.

Production Services is under-managed.

Hiring has been stopped, layoffs are occurring every week.

WAIS Inc reports to Kaiser who reports to Barry Schuler:
Production Services (3/4 of WAIS) work for AOL Productions
Product Sales and Marketing work for Navisoft
Product Development and Support are in limbo
The WAIS building is being shopped around

Therefore, WAIS the name, product, and organization are slated to disappear.

Outside sales efforts have been stopped:
Production Services is only "selling" to Brand
Product has been taken off the market
Government sales have been stopped; a large contract halted.

No planning that I see or understand. I was not asked to help with 1995 and 1996 financials or plans.

GOOD NEWS: Product is selling well, releases on schedule!

WAIS ASSETS

Great customer list, high customer satisfaction (historically)

Internet name recognition of "WAIS" for leadership and quality

"The 4 food groups of the Net: Web, Gopher, WAIS, Telnet" - Daniel Dern
Inet writer

Successful production services business, solid server product

Historically profitable Internet business (rare out there, but true!)

[see next note for more details]

HOW WE GOT HERE

WAIS, a profitable and growing company for 3 years, now is being dismantled and integrated into other sections of AOL. The company we sold had tripled each year profitably and would have continued to grow at that pace: what we needed was \$4M in investment to realize the business plan.

When we talked with Len in March, we did not factor in the disruption and delays of acquisition. As a separate company we would do what we said. The LOI committed to March 17 close. I walked Len through this Wednesday: Len are you fine on all of the representations?

I ran WAIS through the 3rd quarter as an independent company since the deal had not closed. We might have had to restart of VC talks that had been stopped in February.

In April and May, we tried to "act like the future", but were in limbo. We had to be prepared to proceed with our business if the deal fell through. (WAIS and WebSoft merged. Potential customers had heard about the acquisition and quizzed us on it). The limbo made it difficult to plan, and we did not hire.

David Kaiser was appointed president with all reporting, operational, and financial responsibilities. Brewster effectively became an active consultant.

I gave feedback to Kaiser and Dunn on spending management issues and problems.

In May, WAIS was told it will be a department on AOL Productions. Kaiser participated with Medior in merging.

In June, the hiring freeze keeps us off staffing plan and leads to problems with our customers (lost Reuters and EggHead). Government contract halted.

Early July: AOL reorg: Bill Dunn resigns,
WAIS Inc now officially reports to Barry as part of AOL Productions.
Sales of WAISserver stopped and put on "maintenance only" status.

August: Layoffs of 3 people, 2 contractors,
Announcements to the company that we will probably move to San Mateo soon
Sublease tenants start looking at WAIS building.

Moving Forward

We have options if we make decisions quickly:

Decide the fate of the product and technology:

WAIS has strong momentum on the net, lets keep it going and build it!
WAISserver market leader, other technologies

Decide if production services is to be profitable and what this means.

Decide if we are going to pursue the government market:

This has been a very lucrative area for us: I would continue to pursue it using and building the WAIS Federal division.
The \$500k contract is for advanced R&D. I would use it if we still can.

Decide how to use Brewster and his team. Some options:

- * upgrade the product to full commercial strength again.
- * manage the company back into what it was: products, services, government
- * manage production services, maintenance.
- * manage production services transition to Medior.
- * maintain the current product line for the duration of the support contracts.
- * chart a path for AOL on the Internet and build it.

Decide if WAIS organization and location should be preserved.

I would use it and grow it.

OPTION 1: Bring back the management structure that built the company and get it back on track the way it was. We will have slipped a couple of quarters, but it can be rebuilt. I can run this as a successful company.

OPTION 2:

Move Production services people to Medior immediately. This would be "moving people" rather than "moving an organization" which has much less value.

Rebuild WAIS Inc into technology center for building and selling its successful products moving towards leveraging technology to make GNN into a "platform".

OPTION 3: Status Quo

WAIS the name, product, company, and services are "digested" or stopped.
AOL Productions gets most, AOL Software Products gets a bunch.
Support the old WAIS customers by inhouse staff or spin-off a team.

OPTION 4: There are many more options, and I would be open for suggestions.

Please use this opportunity to change what is happening. What is happening is a great waste and a damn shame.

I will see you all next week in Vienna.

-Brewster

~~X~~

Future according to Barry

- Prod servers would use WATS server until another tool or Nuvserver

Lydia: ~~the~~ capability to do _____ in Nuvserver

- Development spec for next 18 months

Meeting with Lydia, Kuizer, Kahle, Schuler to transition customers to Nuvstriff

- Lydia Dobyns recommends:
~~to~~ don't sell WATS server ^{anymore} as standalone product
~~waiting for~~

- WATS name, product, organization **Dead**
WATS name may be reused on Nuvix
~~WATS name will go into~~

To: SteveC@aol.com
From: brewster@wais.com (Brewster Kahle)
Subject: Moving quickly
Cc: LenL@aol.com

Steve,

The "digestion" of WAIS is happening even faster than I thought. I am writing to you again because of your surprise at what has been proceeding since May. If this is not what you want to happen, act now. If it is, then lets move forward and get it over with. (AOL will have achieved real benefit, but not optimal).

I just got this this morning from someone I don't know:

To: brewster@wais.com
From: melcher@meer.net (Tom Melcher)

...

Lisa [Gansky] mentioned that WAIS is moving out of some space at 5th & Townsend, and that this space might be a good place to stage our event.

This is the first I have heard of this decision to move out of our space. This may not be the wrong thing, but you should not be surprised by it.

Unless action is taken to change the course, the "digestion" of WAIS will be complete very shortly. The space issue is only a part of it.

The status quo option I had in my email was:

OPTION 3: Status Quo

WAIS the name, product, company, and services are "digested" or stopped.

AOL Productions gets most, AOL Software Products gets a bunch.

Support the old WAIS customers by inhouse staff or spin-off a team.

If this is the decision then:

* What will be left is a set of customer and partner commitments that need to be attended to. We have worked on some strategies to deal with this eventuality. Since no one seems to feel "ownership" for these, I am not sure where to turn.

* Who should attend to these legal commitments? I am up for it, but it has to be part of someones organization. Mike's? Barry's? Lydia's? Spin-off?

I will be in Vienna this week. If you would like to discuss any of this, I would be happy to. I am starting to work with Mike on a future course, but I may be without the WAIS talent and infrastructure.

Lets come up with a winning transition!

-brewster

Phone: h) 415-826-2627, w) 415-356-5400